The "Crazy Quilt" of Relief (Page 16)

THE FINANCIAL POST

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The Nation's Business

The Quebec Upset

Strong Leader Takes Over

His Opportunity Now Is Great

Jobs To Be Created Through Programme Of Modernization

Party Discarded, What Next in Quebec?

OLD party labels have been laid on the shelf in Quebec until further notice.

The Liberal party does keep its name but it emerges from the elections of August 17 with only 14 members out of 90 elected and all the 1935 leaders as dead, politically, as Job and his war horse. The Conservative party as a party and as a name in provincial affairs has ceased to exist. And it has not yet become apparent what federal affiliations may develop.

A new deal, therefore, seems imminent in the affairs of Quebec. L'Union Nationale's 76 members, headed by Maurice Duplessis, the new premier, are not held or bound in any degree by policies or platforms of the 2 great parties which hitherto have divided citizen allegiance in Canada. Maurice Duplessis, it is true, was leader of the small group of Conservative opposition members which constituted the opposition "forlorn hope" up until the elections of November, 1935. But those elections put 42 members in opposition and only 16 of those were Conservative, while 26 were L'Action Liberale Nationale members who had broken away from the Liberal ranks and wanted an entirely new set-up with Premier Taschereau and his most stalwart lieutenants eliminated. Most of those men still support Mr. Duplessis.

The platform of L'Action Liberale Nationale unites a lofty idealism with a mélange of sound suggestions and cloudy economics. The Fascist concept that capitalism can be fruitfully and usefully directed or diverted at will as engineers would a small stream is inherent in many of their propositions. And so also are a series of proposals which are based on the supposition that banks, utilities and large corporations abuse their power rather than use it beneficially. If that programme were put rigorously into effect it would be bad for bondholders of many Quebec companies; it would alienate capital from what has been regarded as one of the soundest and steadiest-going of provinces and thus it would, in the end, be bad for the majority who were supposed to benefit.

Many businessmen with a stake in Quebec were frankly worried. Some investment bankers even began to wonder if they should not advise clients to go out of Quebec Government bonds.

* * *

BUT now, in the face of a violent upset to the Liberal Government, which had so long been regarded as stable and sound, a spirit of returning confidence is observable. One reason is because it is very obvious that a strong man has succeeded to power in Quebec. Another reason is that this strong man has never given expression to the extreme views of some of those who have been in his following.

In an interview granted to The Financial Post in May last he told plainly the immediate objective of his party and throughout the electoral campaign which began a month or so later he has given expression to the same ideas.

"Our main objective," he said then and has repeated often since, "is to re-establish in the Province of Quebec responsible government, honesty in administration and sound economy."

Mr. Duplessis is in the saddle. He has shown himself extraordinarily resolute, able and clear-sighted. His way is to attack any job set before him promptly, energetically, persistently and efficiently. A man with his qualities can do an immense amount of good for Quebec and one observes in the comments of all but the violently partisan provincial press, a cheerful faith that he will do so. There will be bad times ahead for many who had a vested privilege under the old régime, but his sense of power is expected to be constructive on the whole. He pledges co-operation with other provinces for common Canadian aims and welfare but will insist on Quebec autonomy in provincial affairs. There is plenty of ground for reform of municipal charters, readjustment of taxation between province and municipalities on many matters and encouragement of farm and industrial populations without bonusing or bribing them. His combination of practical ability with political foresight should be very valuable as each pressing problem comes up in turn.

Mr. Duplessis' great opportunity is now.

* * *

Providing Jobs By Home Modernization

THERE will be general approval if a satisfactory plan to stimulate modernization and rehabilitation of

(Continued on page 2, col. 3)

Ottawa Plans To Push Sale Of Livestock

Gardiner Talks of Aggressive Campaign Overseas

TO SPEND $300,000

From Our Own Correspondent

OTTAWA. — The Department of Agriculture will establish in the United Kingdom at an early date a branch for the specific purpose of keeping Canadian exporters better informed about the opportunities of the British market, and of advertising Canadian farm products more aggressively, it was reported here on the return from overseas of Hon. J. G. Gardiner, Minister of Agriculture.

Last session in anticipation of the need for more aggressive marketing of Canadian farm products, $300,000 had been voted and it is proposed now to go ahead and use it.

Representation Poor

At present, although the trade and commerce department has commissioners engaged in furthering Canadian export trade, the agriculture department is very sketchily represented. W. A. Wilson formerly acted on behalf of livestock shippers, but several years ago he was transferred to the commerce department. The bacon exporters have a representative, and there are health officials, but that is about all.

The Minister believes an objective of 100,000 head of livestock annually to the United Kingdom can be achieved without unreasonable effort. This mark has at least twice in the past been materially exceeded. Both in top-grade cattle and in other grades Mr. Gardiner believes there is a larger potential market.

The Minister is reported to have in mind a former livestock commissioner as the proper man to send to England to push cattle sales.

In addition he thinks closer attention could be paid to the sale of dairy products in England. He is reasonably well satisfied with the sale of bacon, although pointing out that Canada had failed by a wide margin to take advantage of the quota which was set in the 1932 agreements.

The chilled meat trade is also worth more study than it has been given in the past, he says. Several years ago a trial shipment went from Saskatoon, to compare it with live cattle shipments. The latter brought better returns then, but the Minister does not believe the test was conclusive.

Shippers Are Problem

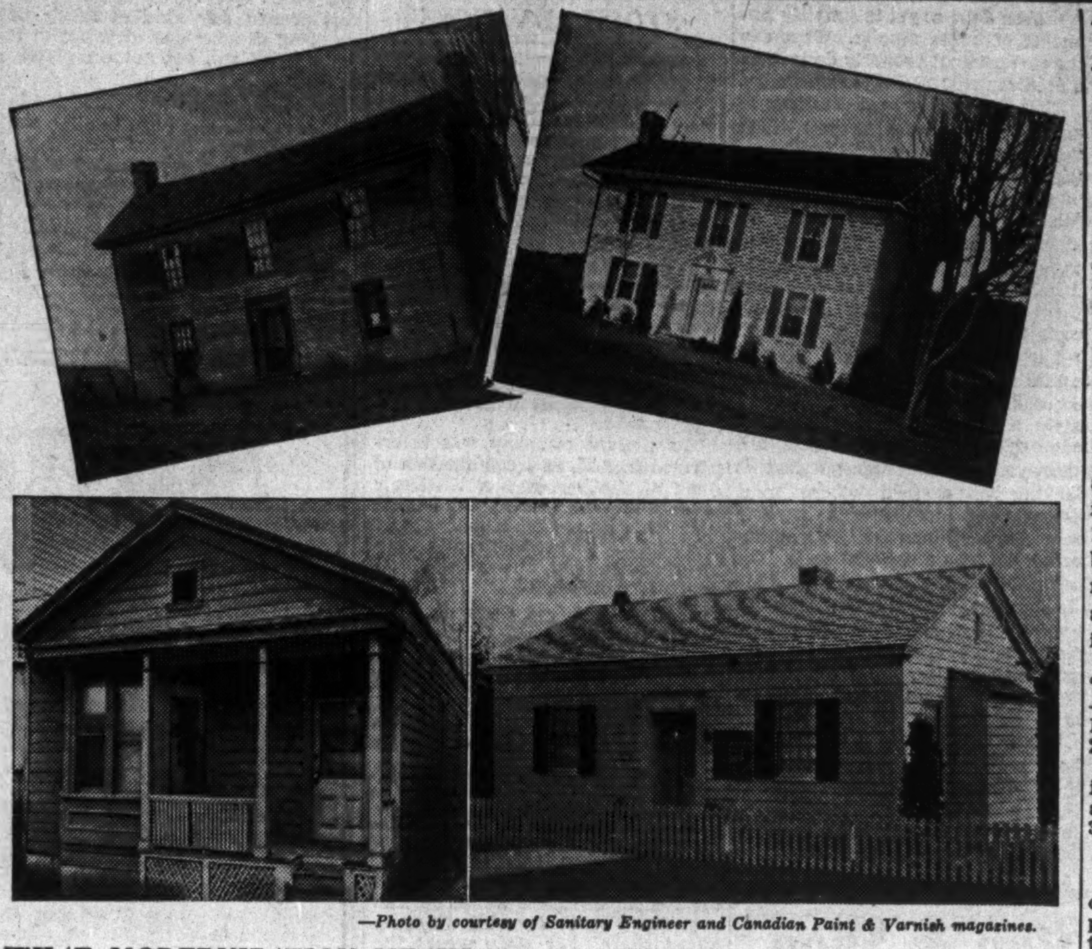
Mr. Gardiner pointed out that all available space for live cattle shipments to Britain this fall had been booked. One difficulty with which the shippers are continuously faced is the reluctance of the steamship lines to fit ships for such an erratic trade. In the past the only time Canadian shippers were interested in the British market was when, for some reason the United States market was closed. The moment the latter opened again, the shippers abandoned the former. If a regular trade of substantial volume could be built up and maintained, this shipping problem would disappear, it is thought. Western livestock associations have used this point as an argument for a national livestock board operating along similar lines to the boards which were set up under the Natural Products Marketing Act.

Massey-Harris Co. Bondholders Lag

Not Sufficient Proxies at Hand for Meeting

Sufficient proxies have not yet been received by the trustee of Massey-Harris Co. bonds to assure a quorum at the meeting, August 31, to consider the request of the company to have changes made in regard to sinking fund and redemption. This is peculiar as talks with large bondholders and others indicate that the plan has received a favorable response. Since the plan was announced the bonds have risen several points.

Delay in sending proxies would result in adjournment of the meeting. The company and the trustee wish to avoid that That would mean delay, inconvenience and expense. The inconvenience connected with sending proxies and the need to lodge securities at a bank in the meantime to get certificates is believed to be the sole reason why more proxies have not come forward during the summer season.



—Photo by courtesy of Sanitary Engineer and Canadian Paint & Varnish magazines.

WHAT MODERNIZATION MEANS

Little better than a barn was the house shown in the upper photograph until paint, shingles, new hardware and glazing transformed it into a dignified modern home. Lower photograph reveals the amazing change effected in an obsolete frame cottage by transforming it to a modern bungalow, through changing the front entrance, altering window arrangements and otherwise rehabilitating the house at low cost. The National Employment Commission says modernization and rehabilitation offer the most promising field for early stimulation of building in Canada and lessen unemployment.

Potential $200 Million Market Available if Canada Develops General Modernization Scheme

National Employment Body Sees it Promising Field

Rehabilitation and remodelling of existing houses, tenements and apartment blocks offer the most promising opportunity for early stimulation in the building industry, in the view of the National Employment Commission. This field has been singled out for concentrated effort in the next few weeks.

"Studies have shown that rehabilitation and remodelling of existing structures present particularly favorable promise for early action," an interim report issued by the commission says.

At the same time, the commission hopes to launch a drive for a major building programme across the Dominion, for houses and other structures which can be built to rent at $15 to $25 a month.

The interim report adds that "the stage is being reached where the situation can more specifically be explored with Provincial Government administrators. The commission has already been given a great deal of co-operation by the government departments in Ottawa and the provinces, who have sent specialists to help work out specific plans. Steps are on the way to develop an organization to assist in an ever enlarging co-operative effort."

$200 Million Market

To modernize existing buildings in Canada to at least a reasonable degree opens a potential market during the next 4 or 5 years for $200 millions worth of materials and services. Of this amount between $50 and $100 millions of such business would be developed within the first 1½ years of the inauguration of any plan designed to stimulate modernization, it is believed.

The foregoing figures are based on actual experience in the United States under the National Housing Act and confirmed by partial surveys of the modernization market in parts of Canada.

While the employment commission is pursuing the modernization problem, the Dominion Housing Act

(Continued on page 13, col. 5)

How Housing Legislation In Canada, U. S. Compares

Here is how housing legislation has been utilized in Canada and United States:

CANADA

DOMINION HOUSING ACT

Effective July 1, 1935 — 13½ months in use.

Loans for new construction only.

Loans from July, 1935, to May, 1936—262.

Total amount of loans made under this legislation during that period, $1,876,629.

UNITED STATES

NATIONAL HOUSING ACT

Title 1. Loans for modernization work (effective August, 1934). Total loans to July 31, 1936, 1,116,318. Amount of loans in that period, $410,339,749.

Title 2. Loans for new construction (effective Dec., 1934). Total loans to July 31, 1936, 96,827. Amount of loans in that period, $388,753,944.

Government's loss on these loans, ½ of 1%.

Total amount loaned under both Titles, approximately $800 millions. Estimated that over one billion dollars worth of work has resulted. Legislation renewed till April, 1937, with some small amendments.

Remington Rand Lists More Stock in Toronto

Application for listing additional shares of Remington Rand, Inc., on the industrial section of the Toronto Stock Exchange has been granted.

The additional listing covers 345,208¼ shares.

Alta. Revenues Jump $835,868

Sales Tax Fails to Yield as Much as Estimate

Revenues of the province of Alberta jumped $835,868 in the 3 months ended June 30, 1936, compared with the corresponding period of last year. Receipts for the period, according to an interim statement issued by the government, amounted to $4,949,920. The increase is due to higher and new tax levies imposed at the last session of the Alberta legislature and to general improvement in business.

Cash deficit for the period, at $370,326, was only $611,831 lower than in the second quarter of 1935 since expenditures increased by $224,037 to $5,320,247. Revenue in the 3 months ended June 30, 1935, was $4,114,052 and expenditures, $5,096,209.

Sales Tax Yields $87,627

The new provincial sales tax, which has been in operation since May 1, failed to yield the amount estimated. The amount collected was only $87,627, compared with the $175,000 which it had been expected to yield. Revenue from sales tax for the entire year was estimated by the budget at $2 millions.

The report shows the funded debt of the province at $154,199,010, an increase of $632,000 since March 31 of this year.

After deducting from the total funded and unfunded debt of $159,711,017, sums of $13,532,633 for loans, advances and accounts receivable; $389,249 for net assets of working advances; and $16,109,642 for the Baker report valuation of the Alberta government telephone system: the net general debt of the province is stated at $129,679,491.

Brantford Cordage Co. Lists New 1st Pfd. Stock

New first preferred shares of Brantford Cordage Co. have been listed on the industrial section of the Toronto Stock Exchange. The listing covers 40,000 new $25 par value first preferred shares which were posted for trading on an "if, as and when issued" basis June 18.

July Trade Soars, Life Sales Gain

A 32% gain in exports featured foreign trade returns for July. The new figure of $83.9 millions is due largely to a 200% increase in dollar value of wheat sales which totalled $21.9 millions in July compared with $7.2 millions in the same month last year.

Sales of new ordinary life insurance in Canada during July totalled $32,573,000, according to figures compiled by Sales Research Bureau. This was a gain of better than 1%, compared with the previous month and compared with July of last year.

Every province showed good gains except Quebec where sales were lower by 6.5%.

Monthly	July	— Change — From prev. period %	From prev. year %
Sugar, lb.*			
Melt. & sales	98,485,337	+ 2	+ 8
Manufactured	94,693,262	+ 2	+ 5
Newsprint prod., tons	274,627	+ 1	+17
Building permits	$4,602,897	+0.4	+ 4
Life insur. sales	32,573,000	+0.9	+ 1
Exports	83,899,456	+ 6	+32
Imports	53,675,774	—7.1	+10.9
Wheat exports	21,894,644	—15	+203
Weekly:			
Car loadings, No.	46,036	—0.9	+10
Cattle sales, No.	17,858	+ 23	— 2
Hog sales, No.	16,727	+ 1	+43

*For 4 weeks to July 11.

Montreal Theatres Try Pool Scheme

A 5-year agreement has been consummated by Famous Players of Canada with Consolidated Amusements to pool interests of the 2 companies in Montreal. Management will remain with the Consolidated Amusements, and it is expected important operating economies will result. The main objective, however, is that pictures can be routed more appropriately to the theatres where the different types are apt to get the best returns.

This agreement has been interpreted by one Montreal newspaper as being tantamount to Famous Players stepping out of Montreal. That is an error. Famous Players has exactly the same interests in Montreal as it had before.

Racketeers Rounded Up, Warrant Out for Platt

John M. Godfrey, Ontario's security commissioner, has started another drive against racketeers who have been attempting to resume operations. Colonel D. F. Pidgeon has been visiting downtown and apartment hotels in Toronto where these men were reported to be congregating. Several racketeers with well-known reputations have in consequence been told to leave the province and have left.

One man, Wm. Platt, was examined by Colonel Pidgeon under the authority of the Commission and as a result of the examination a warrant was issued for his arrest on a charge of perjury. The warrant, however, has not been executed as Mr. Platt cannot be found. The Commissioner thinks he has departed for parts unknown.

"Every person against whom there is any suspicion will be investigated," said Mr. Godfrey to The Financial Post. "In the course of this drive there will doubtless be some perfectly respectable people brought before the Commission but if they are able to explain their business satisfactorily no injury will result."

Mail Orders Are Expecting Good Year

New Fall Catalogues Contain Few Price Changes However

VALUES IMPROVE

The annual distribution of fall and winter mail order catalogues is now being made across Canada. By train, truck and airplane the big job of bringing the last word in merchandise to hundreds of thousands of Canadian homes is now being completed.

The Simpson catalogue, styled—"A Great City Store in Your Home"—is this year the largest since 1930. It runs 256 pages, compared with 220 pages a year ago.

The Eaton catalogue, which names itself "Price Guide of Canada," is about the same size as last year at 340 pages.

Prices Little Changed

Prices on the whole show little change from last year, officials report. Chief emphasis is placed on the number of new lines and the added variety afforded which is in keeping with post-depression tempo.

Mail order customers are right on the job in demanding and obtaining the last word in apparel and merchandise of all sorts. Both stores report they have had more buyers abroad this year than at any time since 1930, thus permitting an increasing range of merchandise and values.

Expect Good Year

The most important feature of the mail order barometer is the fact that at least one house is expecting to find farm income and rural income in Canada as large, if not larger, than last year, despite drought conditions.

To back this opinion, it is pointed out that with few exceptions drought has affected different areas this year to last. This means that scores of communities which before had little or no buying power will this year have good crops for sale at high prices.

Against this it is also pointed out that living expenses and overhead costs in most rural areas are still at a very low point which means that any reasonable amount of income will very quickly show itself in purchases of necessities of life, furnishings, apparel, etc.

Political Stability

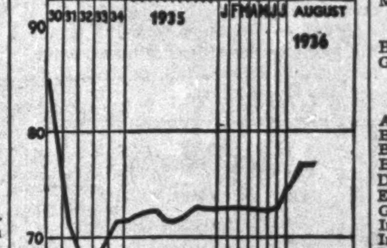
A prime requisite for better buying power, say the mail order merchandisers, is political stability. Thus, even if income is larger, farmers and town folks are inclined to save and hoard their money rather than spend it if they are surrounded by political uncertainty as, for example, in Alberta.

In short, Alberta, at the present time, is an excellent example of a community whose buying power would be considerably larger than it is if political conditions were more stabilized.

Manufacturers Modernize

Values, it is claimed, are better today than at any time in the past 3 years. One important reason is that manufacturers within the past year have thrown out much obsolete equipment in order to keep abreast of new situations and competitive conditions and have installed new machinery with the latest labor-saving and up-to-the-minute devices.

The number of catalogues distributed will be the largest in many years and for one company, at least, will be from 10% to 15% over last year.



PRICES OFF SLIGHTLY

Wholesale commodity prices dropped back slightly to 76.1 in the week ended Aug. 14, from 76.3 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

Strike Loss $2,000 Hour

About 1,700 workers of Courtaulds (Canada) Ltd. are on strike at Cornwall demanding recognition by the rayon mill management of the newly formed Cornwall Rayon Workers Union.

Loss estimated at more than $2,000 an hour is said to be incurred by the company caused by wastage in the automatic viscose process used in the manufacture of rayon.

Strikers demanded a 40-hour week minimum, increased number of employees in certain departments, higher wages and better working conditions. The union rejected the owner's suggestion of a company union without any outside affiliation. The union applied for affiliation with the A. F. L. and was accepted.

Highlights

Big Business Girls

The Quints of Callander win prosperity for Northern Ontario communities. Page 9

Aberhart's Year

Social Credit government of Alberta celebrates first anniversary. What has it done? Page 3

"Crazy Quilt" Relief

Hit and miss policy of Canadian welfare administration produces some startling anomalies. Second in a series of searching articles by Charlotte Whitton, O.B.E. Page 16

Wings Over Canada

Canada leads world in aerial freight transport and prepares for new strides in development of inter-city passenger airways with high-speed planes. Pages 11, 12

Red Lake

Three producers, and a score of properties in advanced stage of development, bring Ontario camp to new activity. Page 15

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Bulolo Gold Dredging Issues 35,627 Shares

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading an additional 35,627 shares of Bulolo Gold Dredging Ltd. This listing brings the total number of shares outstanding up to 981,016, each of

Wheat Crop Now Estimated 50 Million Bushels Higher

From Our Own Correspondent

WINNIPEG. — A private estimate of the western wheat crop at 240 million bushels made this week is some 50 million bushels higher than the very low estimates in circulation about two weeks ago. It reflects the fact that threshing returns in many districts have been higher than anticipated, and that the area of fairly good crops in Manitoba and Saskatchewan is somewhat larger than at first supposed. It is still, however, somewhat higher than the ideas of most persons who have been endeavoring to estimate the crop.

While smaller than total wheat production of last year it represents probably a larger milling output of flour, owing to great percentage of higher grades and lower low grade wheat in last year's crop, while the cash value to farmers, owing to the higher grade and better prices, is greater by millions of dollars.

Provident Co. Will Withdraw From Ontario

Poor Underwriting Experience Leads to Action

DEPOSIT MAINTAINED

The Provident Assurance Co. is withdrawing from Ontario.

Agents of the company throughout the province have been notified that from September 1 no new or renewal business of any class is to be written. The company's license in Ontario will remain in force until business now on the books has lapsed, the deposit with the provincial insurance authorities will also be maintained, but will probably be reduced as liabilities decrease. At present some $125,000 is held by the government department.

Discontinuance of Ontario business comes as the result of poor underwriting experience in that field over a period of years. Quebec has been about the only province where a profit could consistently be made. Last year, for instance, it is estimated a profit of $75,000 in the French Canadian province was more than wiped out by losses elsewhere.

The 1935 report of the Ontario superintendent of insurance places net premiums written in the province by the Provident at $132,990, against which losses incurred, not including adjustment expenses, totalled $153,060. These figures compare with premiums of $959,740 and losses of $517,567 on business as a whole. Total net loss for 1935 was $117,111, which officials explain was fairly equally divided between loss on purchase of the Trans-Canada and British Colonial companies and depreciation of investments.

In part, the letter to agents from Provincial Service Agency, general agents of the Provident for Ontario, is as follows:

"We have already on various occasions advised you that the Provident Assurance Co. has ceased writing automobile business in the province of Ontario, and we now ask you to note carefully that on and after Sept. 1, 1936, the Provident Assurance Co. does not desire to write any new or renewal business of any class in the province of Ontario.

"Accordingly we shall continue to advise you of the Provident renewals as they fall due and ask your instructions in replacing such business in our other markets.

"You will, of course, clearly understand that Provident policyholders are entirely protected up to the expiration of their policies, and the Provident's Ontario license remains in full force and the requisite deposit with the Ontario government will remain until all the policies have expired."

Union Stockyards Sold by Swift Co.

U. S. Order to Withdraw from Unrelated Enterprises Is Cause

Union Stockyards of Toronto, Ltd., is included in the list of holdings contemplated for disposal by Swift & Co. to United Stockyards Corp., in order to comply with order under the Packers Consent Decree of 1920 to 5 large U. S. packing concerns to withdraw from all industries not relating directly to meat packing. The order of the court did not cover the Canadian company, but the company apparently intends to include the Canadian company. The 7 Swift stockyard companies in the United States are listed for sale at $6.3 millions and with the Canadian company at $7.3 millions. The Canadian company is actually valued at $1,044,683.

To pay for these companies a public offering will be made before December 21, 1936, of the securities of United Stockyards Corp., which was incorporated in May last. President of new Stockyards Corp. will be W. K. Wright, who has been in charge of stockyard operations of Swift & Co. Other directors will be F. C. Fletcher, a vice-president of Union Stockyards of Toronto, Ltd., and vice-presidents and directors of St. Paul Union Stockyards Co., Fort Worth Stockyards, Sioux City Stockyards, St. Paul Stockyards, and F. C. Henderson, assistant secretary-treasurer, formerly with Swift & Co.

McCrea-Wilson Lumber Redeeming Bond Series

From Our Own Correspondent

MONTREAL. — McCrea-Wilson Lumber Co., subsidiary of Brompton Pulp and Paper Co., has called for redemption on October 1 next all of its outstanding 6% Series A 1st mortgage bonds at 102 and accrued interest.

The company has outstanding $196,000 of bonds normally due April 1, 1939, principal and interest of which are guaranteed by the parent company. Brompton is also guarantor of a 6% sinking fund mortgage due April 1, 1937, amounting to $50,000, as at the end of last year.

With this redemption Brompton will have practically eliminated all underlying charges.

MEN'S SHOP

THE
MEN'S SHOP
features a wide range of the new
BURBERRY TOPCOATS
for Autumn, 1936

We have received our new fall patterns and colors in topcoats styled by Burberry of London, England.

In our extensive selection you will find a distinctive choice of styles in sizes 35 to 46.

$45.00—$50.00—$55.00 each

These coats may be purchased on EATON'S BUDGET PLAN if you wish.

FREE PARKING WHILE SHOPPING
MEN'S SHOP
BAY STREET SECTION
EATON'S - COLLEGE STREET

The Nation's Business

(Continued from page 1)

homes can be found. A favorable report has already been made in this respect by the National Employment Commission.

When Ottawa appropriated $10 millions to aid housing schemes last year it was expected that this money would be quickly used up and the way opened to an expenditure of at least $50 millions. The plan has been a failure; it has been of little practical value (as yet) in stimulating new building.

• • •

EXPERIENCE in other countries indicates that a well-conceived plan to stimulate repair and modernization work would be of more immediate worth in aiding building recovery than any attempt to stimulate new housing.

That the market exists for such activity is unquestioned. We have about 2 million dwellings. No doubt at least half of these homes are in need of some sort of repair work. If repairs could be stimulated on these million homes, the total sum involved could easily reach 50, 100 or 150 million dollars even if only a small amount were spent on each dwelling. The estimate of $200 millions of work to be done over the next 4 years in Canada, made elsewhere in this issue, does not seem unreasonable.

• • •

TWO considerations arise, finances and merchandising. Of these, merchandising is probably the more important. The workmen and industries who have house repairs and modernization to sell, have not yet sold more than a few home owners on their proposition. Yet the automobile industry last year sold $100 millions worth of new machines to Canadians at a time when recovery was barely under way.

They obtained it by smart merchandising and advertising policies of first-class products and by expert use of installment finance plans which make the expenditure of such sums as $700 or $1,000 seem easy and palatable.

• • •

REGARDING finances, little has been done as yet to simplify financing of house repairs. What can the Government properly do in such a predicament? Perhaps two things.

First if it is going to give assistance anyway it might provide some, along the lines of the present federal housing act, by way of cutting the cost of finance charges and permitting the payment of repair bills in monthly installments. There is said to be no dearth of money to handle installment sales in this field but there is need of lower financing costs and centralization of loans.

The Government might play a useful rôle in bringing together associations and manufacturers to promote a repair and modernization campaign along national lines and thus provide the impetus that is lacking in a field where most artisans and manufacturers operate in and around their own community rather than on a national scale. Excellent work has already been done by business newspapers, such as Sanitary Engineer, in certain specific fields but the situation probably calls for wider, more extensive treatment if a nation-wide advance is to be made.

The merchandising job is one to be done by those who have something to sell, but the government, through the Employment Commission, might properly take steps to bring such interests together.

Nat. Grocers Arrears Plan Heard Again

Propose 5% Preferred Callable at 130 With 3 Common

STOCK ADVANCES

Another plan to eliminate arrears of preferred dividends and allow payments on common shares for National Grocers Co., Toronto, is now under consideration.

The belief that some payment on the common shares may be possible this year is responsible for recent strength in the stock which has risen to the highest levels on exchange records.

National Grocers distributes groceries wholesale throughout Ontario, operating 31 branches and warehouses, 21 of which are owned outright. The company supplies some 200 proprietor-owned Red & White chain stores with merchandise.

The present company was incorporated in 1925, as a combination of some of the best-known wholesale grocery firms in Ontario. Since that time other firms have been acquired and the company has steadily built up earnings and strengthened its financial position.

5% Stock and Common

It is understood the present proposals involve exchange of the present 7% preferred shares of $100 each for new 5% shares. Instead of being callable at 110 like the 7% shares, the new stock would be redeemable at 130.

Holders of the present 7% stock would also be given 3 shares of common in compensation for the present arrears of preferred dividends, according to the proposals. At present prices, market value of the 3 common shares would be well over $20 a share for each 7% preferred share. For some weeks the common shares have fluctuated around $6 a share but recently have risen to about $8.

Present Capital

Apart from $1.2 million of 4% serial bonds, capital of National Grocers Co. consists of 29,532 7% preferred shares of $100 each and 295,852 common shares of no par value.

The number of preferred shares would not be altered by the proposals that have been under consideration. The amount of common stock would be increased by 88,596 shares to a total of 384,448. Arrears of dividends on the preferred are $31.50 a share. Several plans have been proposed in the past to eliminate these arrears so as to allow dividends on the common. On each occasion, the result has been to raise the market value of the common, which subsided subsequently when each of the schemes failed to come to fruition.

The reason the various plans have failed, it is understood, is that all would have involved holders of large blocks of preferred stock in heavy income taxation. The aim of the plans has been generally to pay off arrears in some form other than cash so as to avoid heavy taxation in one year. Extra cash payments on account of arrears have been made in 1934, 1935 and 1936, reducing the total arrears to $31.50 a share.

Earnings Basis

After deducting a full year's 7% dividends on the preferred, and without taking arrears into the calculation, earnings on the common were equivalent to 74 cents a share in the year ended March 31, 1936. On the increased number of common shares, 384,448, the earnings would have been equivalent to 57 cents a share.

Earnings in the 1935-36 year amounted to $14.46 a share on the preferred stock.

Bond Maturities

Last year the company refinanced its former 6% bonds with the new issue of 4% serial bonds. Starting Oct. 1, 1936, the company has to redeem $100,000 of bonds annually.

Although the bond redemptions are not a charge against earnings, they would have the effect of reducing working capital if all earnings were paid out as dividends.

Guesses as to the possible rate of dividends on the common, if the proposals are approved, have ranged up to 50 cents a share. However, in view of the necessity to redeem bonds up to Oct. 1, 1947, payments may run considerably lower than 50 cents a share unless earnings continue the rise of the past 5 years.

Common dividends, of course, cannot be paid at all unless the preferred arrears are discharged in some manner. If the arrears were gradually liquidated by cash payments, this might mean a 10-year wait for common dividends.

Position and Operations

The company's working capital at March 31, 1936, was $3,284,398, which compares with $3,152,263 in 1935 and $3,271,457 in 1930.

Textile Firms Use "Neva-Wet"

Fabrics to be Treated to Become Water-Repellent

From Our Own Correspondent

MONTREAL.—Dominion Textile Co., Montreal Cottons and Canadian Cottons have made a joint arrangement for the exclusive use of the Neva-Wet process on straight cotton goods and rayon articles. By this process any kind of fabric or covering can be treated to make it water-repellent, but not completely waterproof.

No special plans have been made by the 3 textile companies for the introduction of fabrics treated by the new process. Production of the Neva-Wet products will be governed by demand from the trade.

Neva-Wet products are already extensively used in the United States and have been introduced in Montreal, Toronto and other Canadian cities.

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Dividends Declared

	This payment	Date payable	Date of record
Agnew Surp.	20c	Sept. 1	Aug. 15
Do., bonus	20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Anglo-C. Tel., A	12½c.	Sept. 1	Aug. 15
Biltmore Hats, pf.	$1.75	Sept. 15	Aug. 15
Bk. of N. Scotia	$3	Oct. 1	Sept. 15
Bk. Can. Nationale	$2	Sept. 1	Aug. 15
Borden Co.	40c	Sept. 1	Aug. 15
Belding Cort.	$1	Oct. 1	Sept 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Bk. of Toronto	$2.50	Sept. 1	Aug. 15
Bank of Montreal	$2.00	Sept. 1	July 31
Can. Bk. of Comm.	$2.00	Sept. 1	July 31
Confed. Life	$1	Sept. 30	Sept. 25
Cosmos Imp. Mills	$1.25	Oct. 15	Sept. 30
Corr. P. Box, pf.	$1.75	Sept. 1	Aug. 15
Can. Vinegars	30c	Sept. 1	Aug. 15
Can. Malting	37½c	Sept. 15	Aug. 31
Can. Perm. Mtge.	$2	Oct. 1	Sept. 15
Can. Indus., A & B	$1.25	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 15	Sept. 30
Dom. Bank	$2.50	Oct. 1	Sept. 19
Electrolux	40c	Sept. 15	Aug. 15
Do., extra	10c	Sept. 15	Aug. 16
Hollinger Gold	5c+5c	Sept. 7	Aug. 24
Inter. Mining	15c	Sept. 21	Aug. 31
Inter. Nickel, c.	35c	Sept. 30	Aug. 31
Lake of Woods M.	$1.75	Sept. 1	Aug. 15
Lava Cap Mining	2c	Sept. 30	Sept. 10
Loblaw Groc.	25c	Sept. 1	Aug. 12
Laura Secord	75c	Sept. 1	Aug. 15
Louisiana Land	10c	Sept. 15	Sept. 1
Lake Shore Mines	$1	Sept. 15	Sept. 1
Montreal Loan	50c	Sept. 15	Aug. 31
McColl-Fron., c.	20c	Sept. 15	Aug. 15
Monarch Knitting	$1.75	Oct. 1	Sept. 15
McIntyre-Porc.	50c	Sept. 1	Aug. 1
Nat. Biscuit	40c	Oct. 15	Sept. 11
Do., pref.	$1.75	Aug. 31	Aug 14
N.S. L. & Pr. pf.	$1.50	Sept. 1	Aug. 15
Ogilvie Flour, pf.	$1.75	Sept. 1	Aug. 20
Ont. Silknit, pf.	$1.75	Sept. 15	Sept. 1
Photo Engrav.	50c	Sept. 1	Aug. 15
Remington-Rand	15c	Oct. 1	Sept. 10
Do., stock bonus	1%	Oct. 1	Sept. 10
Royal Bank	$2	Sept. 1	July 31
Rolland Paper	$1.50	Sept. 1	Aug. 15
St. Lawr. Flour, c. bonus	$1	Sept. 1	Aug. 20
Sylvanite Gold	5c	Sept. 30	Aug. 17
Siscoe Gold	5c	Sept. 15	Aug. 31
Sheep Creek Gold.	2c	Oct. 15	Sept. 30
Tuckett Tob. pf.	$1.75	Oct. 15	Sept. 30
Union Gas	‡12½c	Sept. 15	Aug. 20
H. Walker-G. & W.	50c	Sept. 15	Aug. 22
Do., pref.	25c	Sept. 15	Aug. 22
Wright-Har.	10c	Oct. 1	Sept. 8
Do., extra	5c	Oct. 1	Sept. 8
Zimmerknit, pf.	*$3.50	Sept. 1	Aug. 15

*On arrears.
‡Interim.

INVESTMENT TRUSTS

	Bid	Asked
Can. Amer. Trust	4.20	4.50
Can. Invest. Fund	4.35	4.65
All Can. Trustee	12.15	12.65
Trans-Canada	11.95	12.20
Grouped Income	6.21	6.80

Chemical Research Delays Annual to October Next

With the consent of the managing committee of the Toronto Stock Exchange, the annual meeting of Chemical Research Corp., which was to have been held by August 21 in order to comply with Exchange regulations, has been postponed until October next. The company is negotiating a new contract with the Patent Club of New York, and the meeting will be called as soon as the contract is ready to be submitted to shareholders for their approval.

Chemical Research has also advised the Exchange that it has received amendment to the certificate of incorporation of the State of Delaware permitting the company to change the shares from no par value to $1 par. Accordingly the no par value shares have been removed from the trading list and the $1 par value shares submitted.

Obituary

Hamilton McRary Jones, general manager of International Power Co., at his home in Montreal. He was 53.

Edwin Marshall, former general manager of the Excelsior Life Insurance Co., in his 78th year. He was associated with the company since its formation in 1890. His home was in Toronto.

Metal Prices

New York—Aug. 18—
Copper: Electrolytic spot and future, $9.75.
Silver: 44¾c.
London—Aug. 18—
(Long Ton)—
Copper: Electrolytic spot, bid, £42; asked, £43. Standard spot, £38 2s 6d; future, £38 7s 6d.
Tin: Spot, £181, 5s; future, £178 2s 6d.
Lead: Spot, £16 12s 6d; future, £16 15s.
Zinc: Spot, £13 10s; future, £13 16s 3d.
Gold: 138s 4d.
Silver: 19 1/16d.
Canada—Aug. 18—
Gold: $34.76.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

Japan—Business in the week ended July 25 was affected adversely by the unsettlement of the stock exchanges, but the foreign trade outlook improved.

China—Foreign trade for 6 months of 1936 shows a considerable gain in exports over last year and an apparent decline in imports, although returns are uncertain, owing to the prevalence of smuggling.

British India—Trading was well maintained in June, despite the early arrival of the monsoon, and the outlook is encouraging.

British Malaya—Steady improvement in rubber prices and the better outlook for tin have strengthened confidence.

Netherland India — Gains have been made in several lines, but pronounced improvement is prevented by poor export markets for a few products.

Philippines — A number of law projects are being considered designed to encourage industry.

Chile — Business, though fairly satisfactory, fails to show a continuance of the improvement which began in 1934.

Peru—Satisfactory trading conditions have been maintained and the agricultural outlook remains good.

Uruguay — Business activity has been maintained in spite of the hampering effect on agriculture of excessive rains.

Venezuela—Maintains an optimistic attitude toward the business outlook.

Guatemala—The seasonal business recession seems to be somewhat more pronounced than usual.

Haiti—Imports increased during July through the replenishment of depleted inventories.

Honduras—Business has again become sluggish after a slight upturn during May.

Colombia—Business gains occurred in the latter half of July, especially in the retail trade.

Australia—Gains in business during July were less pronounced than in earlier months.

New Zealand—Wholesale and retail buying is increasingly active in anticipation of price advances.

Union of South Africa—General conditions are good; export values in May set a new high record.

Greece — Foreign trade for 5 months shows a slight export and a considerable import increase.

Egypt — Business remains good, but gains in the second quarter were less pronounced than in the first quarter of the year.

Listed Bonds

Week Ended Aug. 17, 1936

	Int. rate	Due	High	Low	Range 1936 High	Range 1936 Low
Mtl. L. H. & P. Debs.	3	'39	50⅜	50⅜	51⅛	50

Stop & Shop Take Thrift

Montreal Company Will Be Operating Unit and Toronto Holding Co.

Stop & Shop Co., of Toronto, and Thrift Stores, of Montreal, have amalgamated. List of directors indicates that Stop & Shop are in control though W. M. Hodgson, formerly of Thrift Stores, is chairman of the board for both companies now and W. E. Dunton, formerly with Thrift Stores, is also a director. Other directors were with Stop & Shop Co.

No new company will be formed. Stop & Shop Co. will probably be the holding company and Thrift Stores operating company for stores of both companies. The 2 systems will therefore be under one management. Total sales for 2 companies in 1935 reached $10.2 millions and in the Montreal district combined stores make largest single chain store group. There are 179 retail stores in all.

The change in management took place as of August 8. R. H. Hommel will be president and managing director, H. R. Berg, vice-president, in charge at Toronto, and G. A. Wright, vice-president, in charge at Montreal. G. C. Anspach will be secretary-treasurer. Other directors are A. D. Cobban, H. B. Housser, E. F. Coste and B. N. Barrett.

Dominion Stores Sales Up 12.99%

Dominion Stores Ltd. continues to report improved business, sales for the 4-week period ended August 8, totalling $1,484,725, a gain of 12.99% over the corresponding period of 1935. This is the tenth consecutive period in which the company has reported a sales increase.

For the first 32 weeks of the current year sales totalled $11.8 millions, an increase of 10.39% over the same period of last year.

While at the beginning of the year the company had 3 fewer stores operating than at the beginning of 1935, there were 8 more stores operated in the 4-week period ended August 8, than in the corresponding period of 1935. The number operated during this period was 496.

Comparative figures of sales follow:

Monthly Sales
(Subject to final adjustment)

Four week period end.:	1936 $	1935 $	Increase $	Incr. %
Jan. 25	1,413,478	1,226,611	186,867	15.23
Feb. 22	1,452,088	1,352,553	99,535	7.36
Mar. 21	1,513,367	1,417,909	95,458	6.73
Apr. 18	1,510,891	1,385,269	125,622	9.07
May 16	1,517,152	1,360,939	156,213	11.48
June 13	1,463,362	1,350,741	112,621	8.34
July 11	1,511,080	1,340,440	170,340	12.73
Aug. 8	1,484,725	1,313,961	170,764	12.99
	11,866,143	10,748,423	1,117,720	10.39

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Municipal—							
Cornwall, Twp. of	Aug.	J. L. Graham & Co.	4%	20-ins.	$35,000	99.17	4.10%
Arvida, P.Q.	Aug.	Royal Bank	4%	1937-61	160,000	98.77	
Joliette, P.Q.	Aug.	Banque Can. Nationale	3½%	1937-56	35,000	96.88	3.80%
St. Marys, Ont.	Aug.	Dominion Securities Corp.	4%	10-ins.	30,000	104.67	
Dominion—							
Canada Treasury Bills	Aug.			Nov. 16, '36	20,000,000	99.83	.589%

MASSEY-HARRIS COMPANY LIMITED

BONDHOLDERS' MEETING

A large number of the Bondholders have sent in proxies for the meeting to be held on 31st August.

At the present time it is not possible to say whether a quorum will be present at the meeting, but in order to save the expense of holding and advertising adjourned meetings, it is desirable that Bondholders should send in their proxies to the undersigned as soon as possible.

Dated the 19th day of August, 1936.

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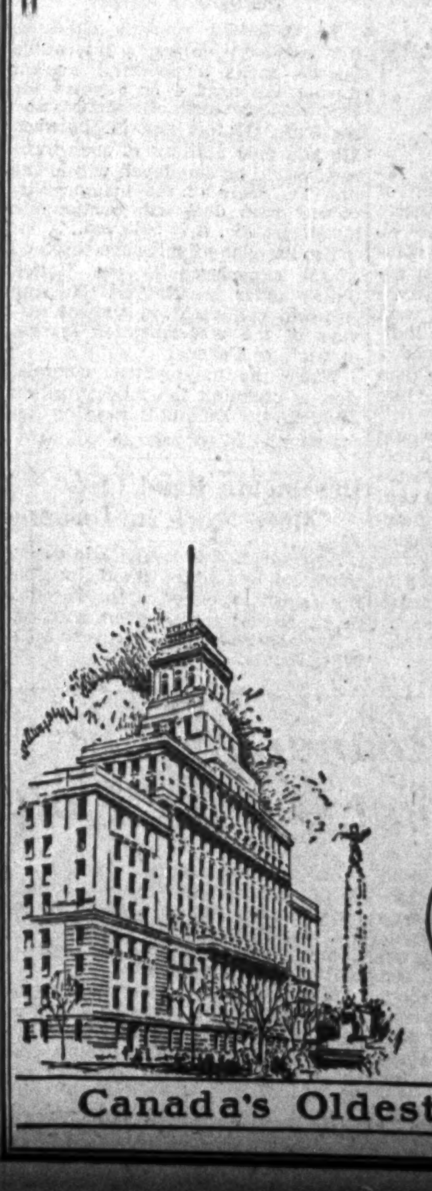
NINETY YEARS' SERVICE!

August twenty-first this year marks the entry of the Canada Life into its ninetieth year of service.

During these nine decades the Canada Life has been privileged to act as the medium through which hundreds of millions of dollars have been distributed in benefits to policy owners and beneficiaries.

Such payments have brought a measure of comfort and security into hundreds of thousands of homes, — have been the means to a happy retirement for thousands of policy owners themselves.

In the past ten years alone, beneficiaries, policy owners and annuitants have received from the Canada Life under insurance and annuity contracts more than $224,000,000.



The Canada Life
Assurance Company
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Canada's Oldest Life Assurance Company

Alta. Farmers Most Cautious Signing Forms

City Dwellers Rush to Register For Credit Dividends

MORE LAWS COMING

From Our Own Correspondent

EDMONTON, Alta. — While the triumph of Social Credit at the Alberta polls on August 22 one year ago is being suitably celebrated by picnics and gatherings of the followers throughout the province, the main mystery in the land of Social Credit is: What is the Aberhart Government going to do in the special session of the legislature opening August 25?

The business will be "mostly" Social Credit, according to Premier William Aberhart, with some time devoted to drought relief for southern farmers and ranchers. From lesser lights in the ranks comes a rumor that relief for private debtors is also on the agenda, that a number of private members are preparing to storm the caucus to secure concessions for the citizen in debt.

May Create New Department

As far as Social Credit is concerned, the need for further legislation is obvious if the Aberhart plan is to go ahead. Money will be needed to open provincial credit houses and hire staffs of clerks to keep in order the dividend accounts of all registered citizens. Creation of a Social Credit department of government, with a new portfolio for one of the ministers, is mentioned.

The drought problem reopens a vital issue for the Alberta Government, inasmuch as the time has now arrived for renewing relations with the federal treasury. Estimates of the cash required for drought relief run as high as $3,000,000, and the only source to draw upon appears to be Ottawa. At last winter's session the Social Credit caucus devoted many lengthy sessions to the borrowings from Ottawa, that in the first 6 months of the Aberhart régime amounted to nearly $8,000,000. The upshot was that Mr. Aberhart was instructed to stop this borrowing, and one of the results was the default of a bond maturity on April 1. With many southern members agreeing that the drought has brought a "calamity" to their constituencies, relations with the federal treasury have taken on a new aspect.

Talk Interest Cut

In connection with mortgage interest, Social Credit speakers have recently been talking of a reduction to a 4% maximum interest rate, and in some cases of a general moratorium. Premier Aberhart is on record in favor of a reduction, but has admitted some doubt about the competence of the province to do anything along this line. Pending disclosure of government plans, the immediate prospect of a measure of debt relief for private individuals is obscure.

Calling of the special session has had the effect of patching up, at least for the time being, the dissension among Social Credit followers. Only new convert to the anti-Aberhart cause is P. J. Rowe, M.P. for Athabaska, whose position was made clear by Mr. Aberhart himself, when the Social Credit Premier denounced, in a Sunday broadcast, Mr. Rowe's claims to leadership of a Social Credit following of his own.

Millions in Money "Frozen"

Several factors are combining to add a note of urgency to the Aberhart Government's energetic efforts to set up a Social Credit system. The month of August marks a whole year in which some $10,000,000 in provincial savings certificates have been tied up, and stories of cases of hardship caused by the lengthy freezing of individual savings are beginning to have an effect on public opinion. The same is true of results of the arbitrary reduction of interest rates on Alberta bonds. The position of the bondholders has not changed since the Government issued its order cutting interest in half on June 1, and the loophole, that bondholders were free to refuse the reduction though without receiving full rates, has left the whole question unsettled. Mr. Aberhart recently hinted that the refunding act, which would put reduced interest rates on a statutory basis, will be proclaimed.

Scrip Fate Uncertain

With only part of the proposed first issue of $250,000 of Prosperity Scrip actually in circulation, the fate of that experiment with paper money is difficult to determine.

Against ministerial declarations that the scrip "is succeeding beyond our expectations," are reports that it is already at a discount in some towns, and that some merchants in the vicinity of scrip-financed road projects are already loaded up with several hundred dollars worth of it, which they cannot pass on.

The Government has adopted a policy of caution toward its certificates, and is waiting to see its circulation demonstrated before going ahead with new issues. The fact that many hundreds of certificates were immediately withdrawn from circulation obscures the demonstration, but it means a nice profit to the Government.

Some merchants have taken all the scrip offered and some have refused it entirely, but in general the attitude has been to accept just as much as can be passed to the provincial treasury in sales tax returns.

Lets Out Court Order

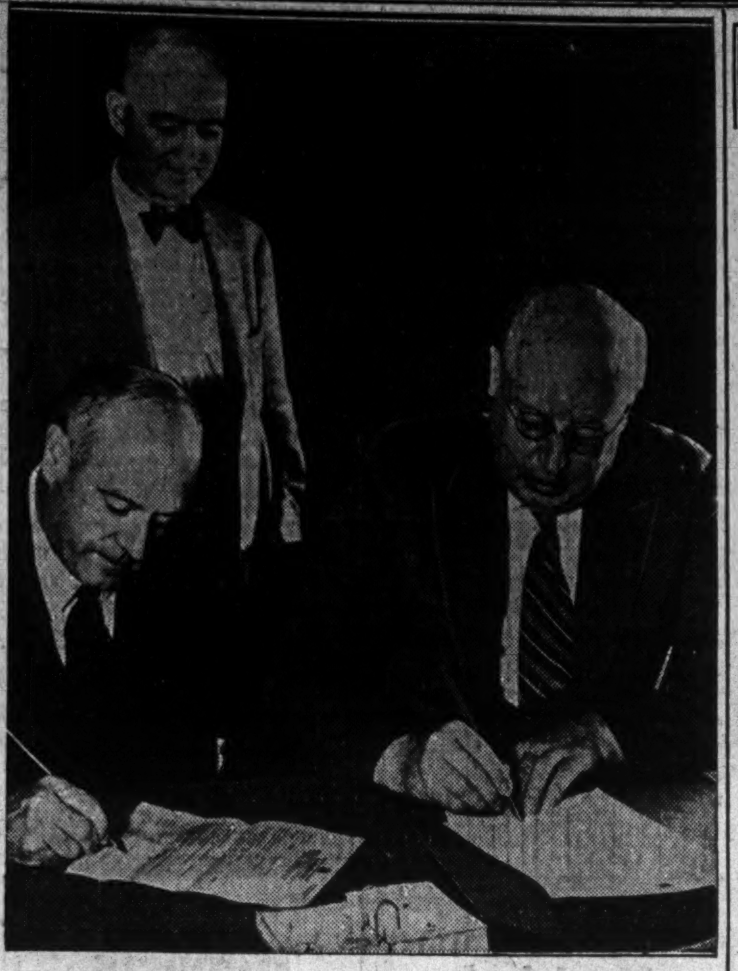
Plans for extending the use of scrip by paying city relief advances in it, retaining the cash for one month, received a blow when R. H. Watson, Edmonton engineer, obtained an interim injunction in the Supreme Court of Alberta, forbidding the city of Edmonton to deal in scrip. The city had agreed only the day before to take $85,000 in certificates in lieu of a $55,500 cash relief grant for August. In his action, which will go to trial later, Mr. Watson asks a court ruling that the scrip is ultra vires the province.

The provincial government and the city authorities have combined forces in order to contest the injunction.

Meanwhile, the Edmonton chamber of commerce raised a snag for the scrip experiment when it requested federal intervention to restrain its issue by the Alberta Government. Aside from legal findings by the department of justice, the chamber's action raises the political question whether or not the Liberal Government at Ottawa will interfere with the Social Credit Government's policies. While there is undoubtedly much opinion in favor of federal intervention in Alberta, the political repercussions of such action are being anxiously considered by Alberta Liberals.

Folk to Register

First reports on registration for Social Credit dividends show some surprising responses, chiefly among town and city folk. Social Crediters claim that about 25,000 have taken out papers in Edmonton alone. Registration in some towns is reported to exceed the vote in the 1935 election. Still to be heard from are the country districts. The farmers' "covenant" involves a pledge to accept "Alberta credit" for 50% of the producer's output, after home requirements are deducted. The importance of the "farm vote" may be seen when the objective of registration is considered. This is, to show the production and consumption maximums for the province. As consumers, the city people of Social Credit sympathies are rushing to register. Without an equal response from the producers, the Social Credit plan is in danger of becoming a lop-sided affair, and initial reports indicate that farmers are exercising caution in registering.



ABERHART LEADS PARADE

Alberta's Social Credit premier formally launched registration of his followers for Social Credit dividend applications when he signed the covenants and filled in the information forms demanded of all applicants. The covenants of application contain no Government undertakings or no signature on behalf of the Government, but they demand that the citizen list his personal status in detail and that he promise to "co-operate" with the Government "most heartily."

The picture shows Premier Aberhart signing his own covenant. At his right is D. B. Mullen, M.L.A., who is in charge of registration in Edmonton itself, and behind them is Clayton Adams, a registrar.

One Year of Aberhart

August 22 is the first anniversary of the election of the Social Credit party in Alberta.

In the language of police reporters, Premier William Aberhart has served nearly one year of his term. It seems time to take stock.

Mr. Aberhart has sentenced himself to produce basic dividends for all genuine Alberta adults within 18 months of assuming office.

Days of Grace

The declaration of this dividend—somewhat earlier than is usual in corporation affairs—still leaves a few days of grace in the 6 months remaining before the payment date.

The days of grace arise from the fact that the Social Credit party did not assume office for a few days after the election and that Mr. Aberhart himself was not elected until even later.

Allowing 6 weeks for the time between election day and assumption of office, plus 30 days gratis, the first basic dividend would be due April 4, 1937, to Albertans of record in August and September, 1936. For the registers of those entitled to the dividend are being compiled this month and next.

Doings of the Year

The accomplishments—if they can be so described—of the past year follow:

First Mr. Aberhart won the election with the biggest majority in Alberta's history.

This started an immediate run on the provincial savings office which thereupon stopped payment. Still, most of the depositors will rank for dividends, if, as and when paid.

Hired Help

Apart from borrowings from the Dominion government, the next big step of the Aberhart government was the appointment of Robert J. Magor, president of National Steel Car Corp., and a director of the Bank of Canada, to find out what was wrong with the provincial finances.

As a result of the Magor investigations, Mr. Aberhart was convinced that Alberta's bonds should be refunded so as to bring the average interest rate down to 3%. Like the election, this weakened the province's bonds.

Then came the loan council negotiations with the Ottawa government. Mr. Aberhart apparently gagged at the idea, but half swallowed it in January. As an advocate of reduction of interest on Alberta bonds, here was a way for Mr. Aberhart to get a Dominion guarantee to help with the reduction.

Douglas Differs

Mr. Magor advised acceptance of the Dominion guarantee plan, although it meant some federal control over the Alberta budget. Meanwhile, however, Mr. Aberhart had been corresponding with, and cabling to, Major C. H. Douglas, founder of social credit. Major Douglas advised avoidance of the federal guarantee because it would mean loss of financial autonomy. Also he was put out by the hiring of Mr. Magor whom he apparently regarded as an enemy of real social credit.

The upshot of it all was that Mr. Aberhart sidled out of the scheme to have the Dominion guarantee Alberta's refunding. His government also decided to withdraw its invitation to Major Douglas to install social credit in Alberta.

Budget and Default

By March of this year, the first social credit budget was presented, showing not a sign of social credit. However, it did show an increase in provision for ordinary expenditures entirely outside debt charges. And it provided for stiffer income taxation and a 2% sales tax.

All told, the budget provided for an increase of $3.3 millions in revenue and $633,000 in expenditures, without changing interest rates on the provincial bonds.

April 1, 1936, saw the Aberhart government default on payment of principal of maturing bonds. This was due largely to non-acceptance of the Dominion guarantee scheme.

May 1 marked inauguration of the 2% sales tax. In May too the scheme to issue "prosperity certificates," in the form of stamp money, was pressed upon the government.

On June 1, Alberta started to pay only half interest on its bonds with the intention of making the reduction permanent. Then bondholders organized a large committee and finally sent a group of 3 representatives to Edmonton to study the entire economic and financial position in Alberta.

The results of this study have not yet appeared.

Finally, in less than a year from the date of the election, the Aberhart government has started to issue stamped scrip.

Situation in Summary

What does it all amount to?

Casting aside the numerous platitudes and obscurities with which the Alberta situation has been surrounded, the situation may be summarized:

Taxation has been increased and, without reducing ordinary expenditures, government costs have been cut by sacrificing bondholders.

Looking at the "prosperity certificate" scheme separately, it must be apparent that the stamp scrip is a sort of tax-anticipation warrant which users must pay for. There is a sales tax of 1% a week on those who use the certificates. Since the scrip is not universally acceptable, there is little doubt that it will reach a discount in terms of real money.

Social credit, whatever it may be, has yet to appear on the scene in Alberta or anywhere else, although disciples of Douglas consider various inflationary measures in countries abroad as a sort of social credit.

Meanwhile nearly all Alberta bonds sell at about same price, indicating they are regarded just as if no interest at all were being paid, and suggesting that investors consider themselves fortunate to be getting any interest at all from the Aberhart government.

As for Mr. Aberhart, he is in disfavor not only with investors but with his unconscious teacher, Major Douglas, with the Dominion government, with Alberta business men, and finally with some sections of his own government.

What a year!

Hot Campaign Coming in B. C.

Provincial By-Election to Fill McGeer's Seat Is Stage

From Our Own Correspondent

VANCOUVER. — When Vancouver's Gerry McGeer went into federal politics and created a vacancy in the provincial constituency of Burrard, a section of Vancouver, he unwittingly set the stage for a by-election which in some respects will be as interesting as any political contest in British Columbia within a generation.

"Nothing could be more appropriate as a wind-up for the Jubilee celebration than a red-hot political campaign," said Mayor McGeer recently, and it looks as though that is exactly what the city will have; and all because of the wide-open break in the Co-operative Commonwealth Federation.

Robert Connell, the quiet-spoken former clergyman who led the C.C.F. in the legislature at the last 2 sessions and who threw a bombshell into provincial politics a few weeks ago by denouncing the new platform of the provincial C.C.F. as fantastic and Utopian, has been formally expelled and excommunicated by the party, as was predicted in The Financial Post a fortnight ago.

Whether he will continue as a private member, resign altogether or form a new moderate Socialist party of his own, will be determined during the next few days.

At the moment it is practically assured that if Connell does form a new group, supported by Jack Price and R. B. Swailes, 2 other C.C.F. members who were expelled along with him because of their similar views, it will not be represented in the Burrard election, now scheduled for September 2. But it does seem highly probable that the new group will organize for the next provincial election and be a force then, in opposition to the more radical wing headed by the radio doctor, Lyle Telford, who has been chosen as the C.C.F.'s official nominee.

Opposing Telford will be Howard Forester, veteran Liberal, and Dr. Frank Paterson, new head of the B.C. Conservative association. But there is little doubt that the issues of Liberalism and Conservatism will be submerged in the coming campaign to a thorough airing of the recent and continuing conflict within the C.C.F., whose solidarity prior to the Connell denunciation was easily the most formidable threat to the old-line parties in many a year.

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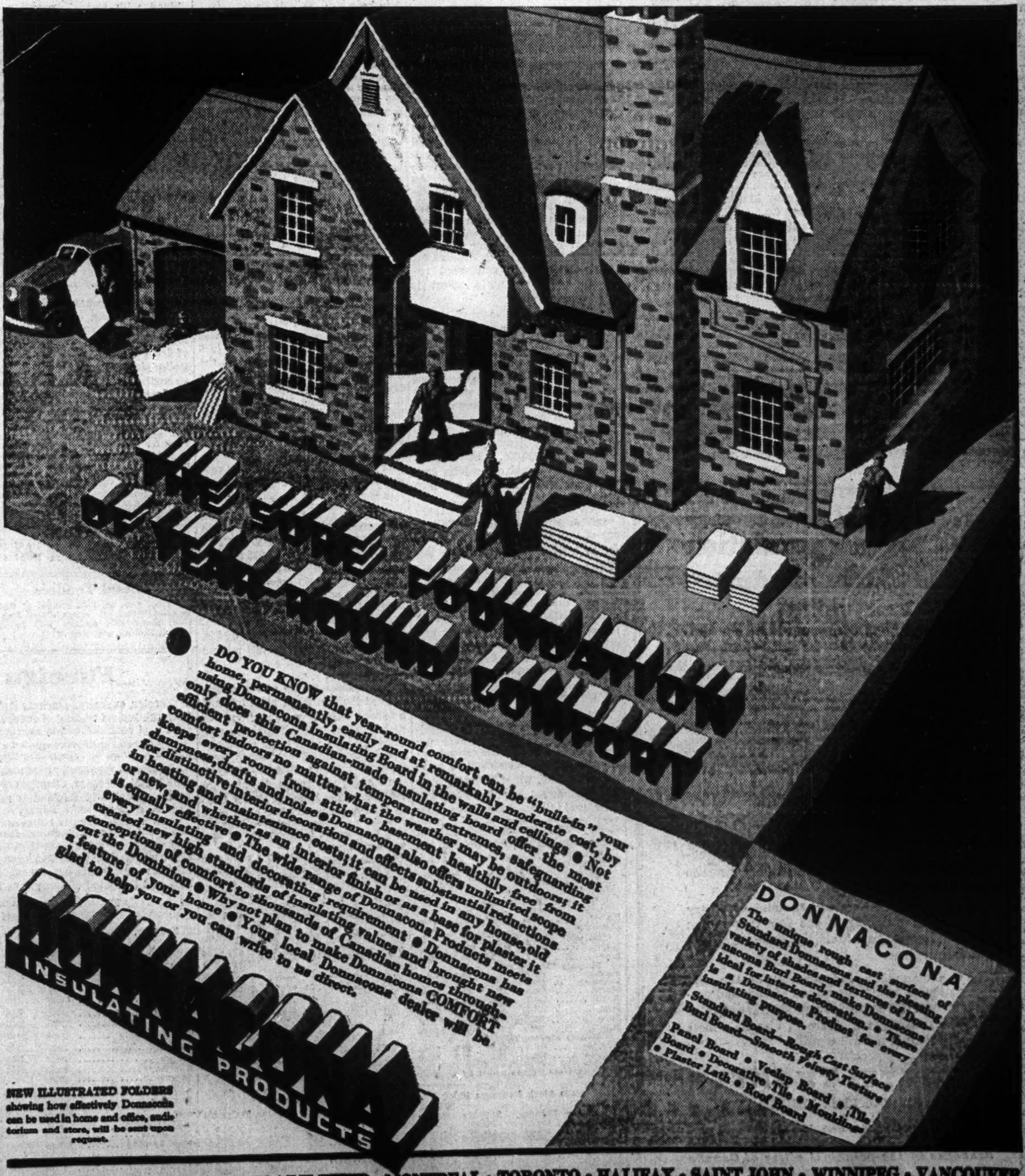

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Investment Trends

Market Rumors Catch Uninformed Speculator

Wild Tales Meant to Catch Section of Investing Public — B. A. Oil, International Pete, United Steel, Beauharnois Victims

PARTICIPATION in stock market activity by relatively uninformed sections of the general public is generally taken as a sign of danger. That is, the more amateur speculators there are buying stock, the greater is the possibility that periodic nervousness will cause them or force them to throw holdings on the market.

Rumors, false and otherwise, are a sign of public participation in speculative activity. The speed with which they travel, and the extent to which they are distorted, also signify speculative fever.

But recently there have been some outstanding examples of false rumors that affect the market. The amount involved, for instance, in the British American Oil loss of a lawsuit in a lower Oklahoma court was $700,000, but the rumor placed it at $9 millions, causing a quick drop of nearly 3 points in the shares. Another one that ran across the continent concerned International Petroleum Company and the lawsuit of the Venezuelan Government against 3 entirely different companies. Another one was in the case of the recent special meeting of United Steel Corporation. The good word that the shares would rise after the recent plan to convert Class B shares went the rounds, with the result that as many as 10,000 shares were traded in a single day.

The bond market has been almost equally full of rumor. Two questionable ones about the Beauharnois 5% bonds appeared almost at the same time. First, the company was going to be able to export power and, second, some scheme was being evolved to improve the position of the 5% bonds. It was denied officially that the export of power was at hand, and beyond that there is no official word of a scheme to deal separately with the 5% bonds at present.

For chatter, the much-maligned afternoon tea has nothing on the stock market.

Borrowings on Stocks

AN INDICATION of the extent of public participation in the stock market advance can be obtained from figures on collateral borrowings of members of the Toronto Stock Exchange and the Montreal Stock Exchange.

The following tabulation shows the comparative increase in borrowings of stock exchange firms on Canadian securities:

Stock Exchange Members' Borrowings

	Toronto $000's	Montreal $000's	Total $000's
Date:			
Dec. 31, '35	24,797	18,582	43,379
June 30, '36	30,762	20,994	51,756
July 31, '36	30,163	20,813	50,976
Changes:			
July	+4.6%	—0.9%	+2.4%
Since Dec. 31	+29.8%	+11.9%	+32.1%

The larger increase in borrowings in Toronto can be attributed largely to unusual activity in mining stocks. The broad increase in both markets, of course, can be attributed to some extent to the increased prices at which the securities are being traded.

Unfortunately, data on borrowings of Toronto Exchange members have only been compiled since the fall of 1935. The Montreal figures, however, show there has been no undue speculation in industrial securities. Total borrowings, representing largely marginal dealings of short-term traders, are no larger than in the middle of 1934. They compare with a low of $12.5 millions in 1933, and are far below the figure of $5 millions in October, 1931.

The only point where there may be some tendency toward over-speculation is in mining shares in Toronto. Otherwise, it appears that brokers' borrowings could increase substantially before they would convey the impression of potential danger.

* * *

Proportionate Gains

REPEATEDLY, the question arises whether the general level of stock prices has risen too high. The answer seems to be that it has not been proved.

For one thing, the decline in the level of interest rates over the past 3 years surely entitles common stocks to sell at higher levels. That is, the heights attained by bond prices, if justifiable, would seem to warrant a proportionate rise in common shares. That is, the comparative investment attractions of bonds and stocks are closely interrelated.

The Financial Post's averages for bonds show an average gain for both corporation and government bonds of nearly 20% since August, 1933. Comparative figures follow:

Advance of Bond Prices

August:	1936	1933	Rise Pts.	%
Bond Index:				
Government	118	104	14	13.5
Corporate	102	80	22	27.5
Average	110	92	18	19.6

In comparison, the Dominion Bureau average for industrial shares shows an advance from about 88 to approximately 120, a gain of slightly over 36% in the same period. This comparison, then, would indicate that common shares have risen 16% more above the 1933 levels than have bonds. But stocks share in the improved earnings resulting from increasing business activity. Bonds may benefit too, of course, but this influence for high bond prices has been offset to some extent by the fact that corporation bonds have been halted in their advance by the existence of redemption features.

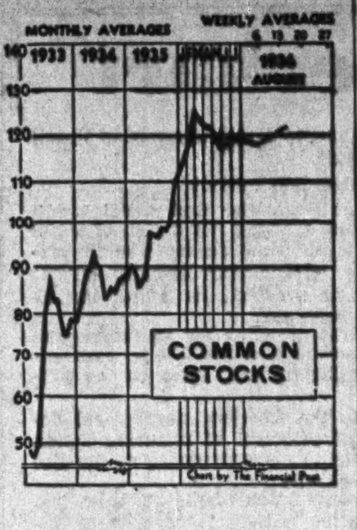
The Financial Post's business index shows a rise from about 85 to 110 over the past 3 years, a gain of nearly 30%. Therefore, apart entirely from whatever justification there may be for stocks to rise as much as bonds, the general level of the stock market has not risen much more than the general level of business activity.

Hardware Mutual Officers are Sued

Action has been taken in a United States court against 19 officers and directors of the Hardware Dealers' Mutual Fire Insurance Co. and the Hardware Mutual Casualty Co., both of Stevens Point, Wis. It is charged the men have engaged for personal profit in financing deferred insurance premiums on policies of the 2 mutual companies through a company known as the Premium Finance Co.

Complainants demand return of profits made by the Premium Finance Co. to the mutuals, and, in case the evidence sustains their allegations, also demand the defendants be barred from any position of trust with the 2 companies.

Officials of the Federated Hardware & Implement Mutuals, through which business of the Hardware Dealers' Mutual Fire is written in Canada, point out that Canadian insurance of the company is not affected. Premium Finance Co. does not operate in this country. Moreover, the Canadian agency is controlled from the office of the Minnesota Implement Mutual Fire Insurance Co., having no direct responsibility to the Wisconsin office.



PRICES ADVANCE

Influenced by some of the more important industrials, the Dominion Bureau of Statistics index of common stock prices advanced 1.9 points to 120.4 for the week ended Aug. 13. The comparative index for the corresponding week of 1935 was 98.6. Comparative indices appear on this page.

Bond Markets

High Grade Bonds Firm Despite Dull Trading

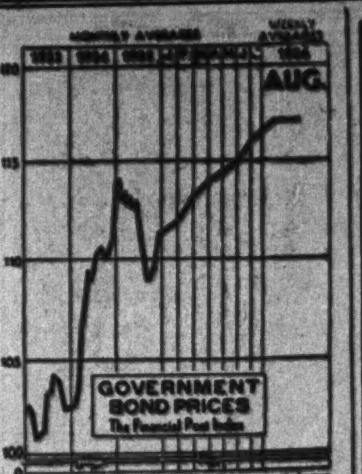
Progress Being Made With Refinancing Plans For Toronto Suburbans — Treasury Bill Sale Sets New Record

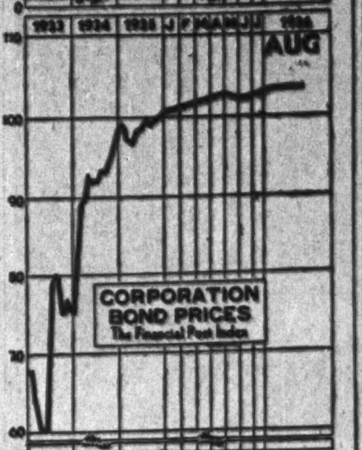
Bond trading is currently at a very low ebb, but prices of high-grade bonds continue firm due to the absence of offerings. At the present time there seems to be a pronounced scarcity of high-grade bonds. One reason for the inactivity has also been that in recent weeks there has been little buying by institutional investors.

Fear that the disturbed situation with regard to relief may make it necessary to postpone refinancing plans has resulted in an easing off in prices of bonds of the defaulted Toronto suburban municipalities. Substantial progress has been made, however, in negotiations between the fiscal agents and the bondholders' protective committees. Plans submitted by the fiscal agents to the protective committees of Leaside, North York, New Toronto, Mimico and Scarborough have been approved in principle.

The Great Lakes Power Co. offering of $4.2 millions of 4¼% bonds is reported to have had excellent reception.

A new low record cost for Dominion Government has been achieved with the sale of $20 millions of treasury bills at a discount rate of 0.689%. Since there are $120 millions of treasury bills at present outstanding, it is probable the Dominion Government will enter the market for long term money in the near future. Certainly, the market appears ripe for such an offering.





Investment Notes

Hiram Walker, Distillers Corp.-Seagrams — Walker's common steadily advanced to 36½ in the last week. Annual report is expected to show more than $6 a share on the common stock if the amount recently paid for U. S. tariff claims settlement is deducted from accumulated profits surplus. It might mean more dividends, think some. Both this company and Distillers Corp.-Seagrams have had increased sales to the United States from Canadian stocks in addition to sales from plants south of the international boundary. Distillers Corp.-Seagrams dividend possibilities are being debated. General inventory surplus and price situation in the United States seem to be coming under control, and price war by the larger and financially strong companies is no longer feared.

* * *

Laura Secord Candy Shops — While definite figures as to the amount of increase are not available, sales during the current fiscal year, which ends Sept. 30 next, have shown improvement, The Financial Post is informed. It is not expected, however, that there will be any substantial increase in earnings, profits being estimated at about the same as in the year ended Sept. 30, 1935.

* * *

Algoma Steel Corp.—Prospects for the current year are not particularly bright, the volume of business on hand and in prospect being lower than a year ago. Considerable progress, nevertheless, is being made in diversifying the company's production, a large number of new products having been developed. During recent months the company has rolled a nice volume of structural steel and sheet piling. This is all new business. However, the absence of rail orders, which have been the company's mainstay in the past, has necessitated the slackening of operations. While it is possible for the company to show a profit on products other than rails, large earnings can not be expected for the company until such time as demand for rails and railway equipment revives, The Financial Post is informed.

* * *

Canadian Dredge—Business of the company in the current year to date has been about the same as last year when $5.02 a share was earned on the common stock. Signed contracts on hand are for a substantial amount. Recently the company was awarded a contract in connection with the construction of a breakwater at Port Arthur for between $250,000 and $300,000. The company has bid on several other jobs, contracts for which have not yet been awarded by the government.

* * *

British American Oil Co.—Gallonage of this company has kept up so far in spite of tariff reduction last spring. Canadian companies are not much affected so long as United States situation remains well in hand as it does to date. Earnings from Canadian business will be the same as last year if output and sales continue despite 2 per cent increase in sales tax. Expectation of $1 a share earnings from United States properties is still strong with company officials.

* * *

Quebec Utility Stocks—The political situation in Quebec over the past couple of years has caused uneasiness among supporters of private ownership, while investors have been somewhat nervous. Marketwise the utility stocks have been very inactive. The National Union's victory at the polls this week has been taken calmly by the market and the feeling is that the new government will not impose any undue restrictive measures on the operators, though the tendency will be to tighten control of all phases of the utility business.

* * *

Canadian Car & Foundry Co., of Canada—Lynx eyes are on these companies as it is known that the United Kingdom may place some munition orders in Canada. These companies are named in circles frequented by metal producers as likely first recipients of such orders. Two objectives would be served by giving munitions orders in Canada, it is stated: 1st, it would enable companies already fully employed on export peace orders to keep going; and 2nd, it would allow the British government to get some stores of munitions outside the British Isles at points desired.

A small profit is reported on the Street as likely for Canadian Car for the year ended September 30, 1936. If it is reported, it will be the first profit since 1930. The total amount involved in settlement of war-time Black Tom and Kingsland explosions has been deposited in Washington by Germany. Work of Commission has been delayed, but awards are expected soon after President Roosevelt appoints someone to take place of the late Chandler P. Anderson.

* * *

Brazilian Traction — More talk comes of further cash dividends. Exchange improvement has not come about, but it is believed that payment of $25 millions bond issue at the beginning of 1935 allows the company to divert funds formerly used to service these bonds. If it only gets as much as was needed formerly out of Brazil, an occasional cash dividend should be possible, argue some. There is, however, no settled and stated policy by which an investor may gauge the likelihood of dividends under present conditions.

* * *

Kelvinator of Canada — Sales so far in 1936 show good improvement over the same period of 1935.

* * *

British Columbia Packers — The total salmon pack to August 1 was the largest for a similar period in 6 years. It is mid-season and if the later pack holds up, prospects are favorable. The Fraser pack was double last year's to August 1 and half of it was sockeye. The total sockeye pack is, however, about the same as at this time in 1935. As the 1935 pack was well sold and carry-over light, marketing outlook is reasonably good. There was a small loss last year.

* * *

International Petroleum Co.—Both in Colombia and Peru production for the first 7 months of 1936 exceeds the total for 1935. The company's annual statement will cover the period to June 30 and is expected to show a good increase in profits over the preceding year. Output to July 31, 1936, was 19.5 million barrels and in the same period of 1935 18.8 million barrels.

* * *

Fraser Cos.—Strike of the operatives at the Courtauld plant has had a direct effect on operations of Fraser Cos., which supplies the Cornwall mill with large quantities of sulphite pulp for use in the manufacture of rayon yarns. However, the stoppage of rayon manufacture will not seriously affect Fraser Cos., as that organization has built up a number of other outlets for its pulp which makes it independent of any one customer.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	38.5	49.8	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.8	88.7	237.3	73.1	153.0	140.1	194.5	55.5	122.8
April	131.7	17.5	91.0	244.5	71.3	150.7	131.7	194.2	53.2	121.4
May	125.1	16.7	87.3	234.0	68.1	145.7	131.4	187.9	52.5	117.9
June	125.3	17.5	86.5	228.1	67.4	149.2	129.3	189.3	53.3	119.0
July	126.0	18.6	87.0	224.3	66.8	153.9	131.6	190.1	53.8	119.6
Weekly Figures, 1936:										
Aug. 6	127.5	18.9	87.5	219.3	68.9	157.0	128.9	189.3	53.4	118.5
Aug. 13	129.3	18.3	87.7	223.9	68.1	158.4	130.7	193.5	53.1	120.4

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Aug. 18	134.67	143.55	142.38
Aug. 17	134.48	142.88	143.51
Aug. 15	134.33	142.18	143.65
Aug. 14	133.37	142.06	143.24
Aug. 13	134.99	143.72	144.44
Aug. 12	135.08	143.83	144.86
Month ago	134.30	148.30	140.92
Year ago	114.41	101.75	92.95
High, 1936	143.49	150.46	148.13
Low, 1936	125.71	115.97	123.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Aug. 18	70.5	75.5	73.8
Aug. 17	70.4	74.9	73.4
Aug. 15	70.2	74.5	73.1
Aug. 14	70.5	74.4	73.1
Aug. 13	70.6	74.9	73.5
Aug. 12	71.0	75.1	73.7
Month ago	69.3	73.9	73.6
Year ago	62.5	60.7	61.3
High, 1936	73.4	79.4	76.6
Low, 1936	67.2	60.5	65.9

Low Interest Rates

ON NUMEROUS occasions this column has predicted that money rates will continue low for some time. That authorities in United States are of the same opinion is indicated by a recent editorial in the Journal of Commerce, New York, which says, in part:

". . . interest rates today are no longer determined by economic forces, but rather by governmental policies. Leading governments are interested in keeping money rates low, partly because they are confronted with large deficits which are met through the sale of short-term and long-term government securities in the open market and partly because they believe that low money rates stimulate business recovery. Since governments have the power to keep money rates low and since it is to their interest to do so, they will undoubtedly continue these policies.

"Even if the currencies of the world should be stabilized, resulting in a general return to gold, there is little prospect of a reversal in the trend of interest rates. In this event, the large amounts of gold now held by the central banks or by the treasuries, coupled with the fact that the production of gold today expressed in terms of dollars or pounds sterling is larger than ever before, will continue to press on interest rates.

"Whether low money rates, combined with steady expansion of bank deposits and increase in gold production, will eventually result in dangerous inflation is still a moot question. The central banks and governments have the power to regulate the price and flow of credit so that the question of inflation depends largely on the future action of the governments."

* * *

Market Trends

WITH $42.50 a ton definitely established as the base price for newsprint in 1937, defaulted newsprint bonds have dropped out of the trading limelight and as a result prices have eased off slightly, Abitibi Power and Paper 5's dropping 3 points.

Public utility issues continue strong, with Gatineau 6's leading the way with a gain of 1¼ points.

Saskatchewan and Manitoba bonds have been easier, recording losses of from one to two points. British Columbia bonds, on the other hand, strengthened, gaining up to 2 points.

The trend of the market for high grade government bonds is indicated below:

The Financial Post Average Price and Yield for High Grade Government Bonds

1936	Price $	Yield %	1935	Price $	Yield %
Aug. 18	117.56	2.997	Aug. 19	113.15	3.474
Aug. 17	117.56	2.997	Aug. 17	113.19	3.471
Aug. 15	117.56	2.997	Aug. 16	113.23	3.469
Aug. 14	117.56	2.997	Aug. 15	113.29	3.460
Aug. 13	117.56	2.997	Aug. 14	113.30	3.460
Aug. 12	117.59	2.993	Aug. 13	113.32	3.463
Aug. 11	117.61	2.990	Aug. 12	113.41	3.454
Year's	117.61	2.990	Year's	114.97	3.367
Range	111.50	3.597	Range	106.57	4.097

Bond Tenders

5 p.m., Aug. 31, Sch. Comm. of Outremont—$115,000, 4% bonds dated Aug. 1, 1936, redeemable serially 1937 to 1966. Roland Belleau, sec.-treas.

Municipal Finances

Burlington, Ont., reports improved tax receipts in 1936 to date. Current taxes collected to the end of July totalled $66,170, compared with $58,235 in the same period of 1935. This is equivalent to 48.09% of the tax roll as against 43.16% of the 1935 levy collected in the first 7 months of last year. Percentage of arrears collected this year to date amounts to 32.7% as against 24.15% in the corresponding period of 1935.

* * *

St. Alexis de Grande Baie, Que., has been authorized by the Quebec Municipal Commission to pay coupons of Dec. 1, 1933, and also interest from June to Dec., 1933, on bonds matured on June 1, 1933.

* * *

Edmonton, Alta., faces the prospect of a cash shortage of $2.4 millions at the end of 1936 unless increased revenue is forthcoming either from taxes or utilities, according to J. Hodgson, city comptroller. To the city finance committee he has suggested an additional tax levy or an increase in utility rates. Over $1 million of the estimated shortage is due to a deficit carried forward from 1935. During the current year expenditures have exceeded estimates largely as a result of increased relief costs.

* * *

Bagot Township, Que., has been authorized to pay interest coupons of Nov. and Dec., 1933; interest from May to Nov., 1933, on bonds matured Nov. 1, 1932; and interest from June, 1933, to Dec., 1933, on bonds matured Dec. 1, 1932.

* * *

Rivière du Moulin, Que., is paying interest coupons of May 1 and June 1, 1936; also interest from Nov., 1935 to May 1, 1936, on bonds matured May 1, 1934 and May 1, 1935; interest from Dec. 1, 1935, to June 1, 1936, on bonds matured June 1, 1934 and June 1, 1935.

Bond Sales

An issue of $20 millions of 3-month Dominion of Canada treasury bills has been sold at an average discount rate of 0.689%, which is a new low record for Dominion financing. Proceeds will be used to redeem a like amount of treasury bills, sold 3 months ago at an average discount rate of 0.896%. Total treasury bills outstanding remain unchanged at $120 millions.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
B. A. Oil	‡4%	1945	Sept. 1	102½
Dom. Canners	6%	1940	Oct. 1	110
Mt. Royal T.&T.	5%	1970	Oct. 15	105
Thetford-Vimy	7%	1944	Sept. 1	100
Silverwood's A	6%	1942	Sept. 1	103
Toronto Carpet	*6%	1944	Sept. 1	103
Tor. Conser. of Music	5%	1948	Sept. 1	102
Ottawa L. & Pr.	•5%	1957	Oct. 1	104
Prov. L. H. & Pr.	▲5%	1946	Sept. 1	105
McC. Wilson Lumber	6%	1939	Oct. 1	102

For sinking fund: ‡$222,000; *$33,000; ▲$35,000; •$70,000.

Stock Issues:	Rate	Stock	Date	Price
Ottawa L. & Pr.	6½%	Pref.	Oct. 1	105

Religious Issues

Notre D. Hospital, Montreal, 5½%, Oct. 1, 102.

Jesuit Fathers of Upper Can., 5%, Nov. 1, 100.

Foreign Exchange

Foreign exchange markets last week displayed no tendency to deviate from the listless trading of recent months. Price fluctuations were for the most part confined within narrow limits with volume at low ebb.

American funds were quoted at a slight premium on the Canadian market on Aug. 11, but since that time quotations have been at par.

London is apparently much less disturbed by the Spanish situation than continental European countries which have shown considerable alarm. It would appear that England is more concerned with the outcome of the French economic programme.

The French franc is believed to have been bolstered by action of the English stabilization exchange fund, but reports indicate that there is little confidence in the government's programme. Measures taken to effect repatriation of funds abroad have met with little success thus far, and issue of short-term bonds has encountered almost complete failure. Less than 20% of anticipated subscriptions have been made.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Aug. 11	Aug. 12	Aug. 13	Aug. 14	Aug. 15	Aug. 17
U. S. dollar, High	.5906	1.00$\frac{1}{32}$	1.00	1.00	1.00	1.00	1.00
Low	.5906	1.00$\frac{1}{32}$	1.00	1.00	1.00	1.00	1.00
1935, High	.5906	1.00$\frac{1}{16}$	1.00$\frac{1}{16}$	1.00⅛	1.00$\frac{1}{16}$	1.00$\frac{1}{16}$	1.00⅛
Low	.5906	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$	1.00¼	1.00$\frac{1}{32}$	1.00$\frac{1}{32}$
U. K. pound	4.8665	5.02½	5.02½	5.02⅞	5.02¾	5.02⅞	5.02⅞
Argentina	.4246	.2761	.2785	.2778	.2780	.2780	.2785
Australia	4.8665	4.0127	4.0119	4.0150	4.0145	4.0139	4.0130
Austria	.1407	.1890	.1890	.1890	.1890	.1886	.1890
Belgium	.1392	.1686	.1686	.1685	.1685½	.1685	.1686
Brazil	.1963	.0585	.0585	.0585	.0580	.0585	.0585
Czechoslovakia	.0296	.0413½	.0413½	.0413½	.0413½	.0413½	.0413½
Denmark	.2680	.2244	.2243	.2247	.2245	.2246	.2244
France	.0392	.0658¾	.0659	.0658½	.0658$\frac{1}{16}$	.0659	.0658$\frac{11}{16}$
Germany	.2382	.4024	.4025	.4023	.4023	.4026	.4024
Greece	.013	.0094½	.0094¼	.0094¼	.0094¼	.0094¼	.0094¼
Holland	.4020	.6794	.6793	.6789½	.6791½	.6792	.6794
Hungary	.1749	.1980	.1980	.1985	.1985	.1985	.1985
India	.3650	.3825	.3825	.3827	.3827	.3827	.3826
Japan	.4985	.2943	.2940	.2943	.2943	.2943	.2945
Jugoslavia	.1929	.0230½	.0230	.0230½	.0230	.0230	.0230
New Zealand	4.8665	4.0451	4.0443	4.0474	4.0460	4.0462	4.0433
Norway	.2680	.2526	.2525	.2528	.2527	.2527	.2526
Poland	.1122	.1891	.1890	.1890	.1890	.1885	.1886
South Africa	4.8665	5.0006	4.9999	5.0038	5.0031	5.0031	5.0011
Sweden	.2680	.2592	.2591	.2594	.2593	.2593	.2591
Switzerland	.1930	.3261	.3263	.3259½	.3260	.3260	.3261
Hong Kong	.5423	.3130	.3125	.3130	.3130	.3130	.3125

New Issue

Great Lakes Power Company, Limited

4¼% First Mortgage Sinking Fund Bonds

Due September 1st, 1956.

Denominations: $1,000 and $500.

Price: 99.50 and interest, yielding 4.28%

Great Lakes Power Company, Limited operates an established public utility enterprise, having a successful record of operations. Earnings have increased steadily during the past four years.

We shall be glad to forward prospectus upon request, including a description of the Company's property and power developments, as well as financial statements.

Wood, Gundy & Company Limited

Toronto, Montreal, Winnipeg, London, Eng. — 36 King Street West, Toronto — Telephone: Elgin 4321 — Ottawa, Hamilton, Vancouver, London, Ont.

Company Reports

Inter. Paper & Power

International Paper and Power Co.'s consolidated statement for the second quarter of 1936 shows a net profit of $665,216, after all prior charges and provisions, comparing with a net loss in the quarter ending March 31 of $402,674 and a net loss of $865,414 in the second quarter of 1935. This represents a net betterment in operating results of over $1 million as compared with the preceding quarter and of $1.5 million as compared with the second quarter of 1935.

On the 6 months showing, there was a net profit, after all charges, of $262,454. This compares with a net loss of $1.9 million in the first half of 1935.

During the second quarter the company's subsidiary, Southern Power Corp., effected new financing, with the result that all indebtedness to the banks on current account has been liquidated with the exception of $674,000 owned by Canadian and Newfoundland subsidiaries.

Second Quarter	1936 $	1935 $
Gross sales	27,423,625	23,469,841
Other income	330,145	356,984
Total income	27,753,770	23,826,825
Costs and exps.	23,710,075	21,614,408
Balance	4,043,694	2,212,417
Deduct:		
Bond interest	918,435	980,253
Other interest	187,341	224,348
Amortization	87,432	97,232
Depreciation	1,284,795	1,330,675
Depletion	187,005	211,134
Tax provision	224,614	66,815
*Other taxes	318,220	....
Accr. divds.	174,626	187,373
Net profit	665,216	†865,414

*Provision for Federal undistributed profits tax. †Deficit.

Profit and loss account figures for the half year compare as follows:

Six Months	1936 $	1935 $
Gross sales	52,943,960	45,956,989
Other income	559,949	645,008
Total income	53,503,910	46,601,997
Oper. exps.	46,968,679	42,374,309
Balance	6,535,230	4,227,688
Deduct:		
Bond interest	1,838,155	1,963,843
Other interest	421,036	451,094
Amortization	173,180	194,465
Depreciation	2,456,820	2,647,017
Depletion	354,890	398,471
Tax provision	353,779	162,783
*Other taxes	318,220	....
Divds. accrued	354,321	344,423
Net profit	262,542	†1,934,410

*Provision for Federal undistributed profits tax. †Deficit.

Aldred Investment

Aldred Investment Corp. (Canada) report a net loss of $3,712 for the 6 months ended June 30 last, before allowing for $9,222 profit on securities sold. This compares with a loss of $4,460 for the corresponding period last year before loss of $1,357 on securities sold.

As at the end of last June, securities shown on the balance sheet as having a book value of $2,487,584, had a bid or nominal value of $1,276,730.

Canadian Hydro

Canadian Hydro-Electric Corp.'s revenue during the second quarter of 1936 fell off from that reported during the same period last year as a result of the drop in deliveries to Ontario Hydro from May 1 last. Under the revised contract with Hydro, Canadian Hydro will lose about $2 millions in revenue a year, but it is noted in the second quarter report that the drop in income is not as great as expected due to increased sales to other customers. After the payment of all charges, there was a surplus of $346,647 available for dividends on the first preferred, or more than double that required. However the management is continuing the policy of taking no action on a dividend declaration, so that by the end of this month the stock will be in arrears one full year's dividend, making it voting.

Consolidated Statement of Profit and Loss

	Qtr. end. June 30 1936 $	Qtr. end. June 30 1935 $
Revenue:		
Operating revenue	2,034,358	2,338,929
Other income	39,408	38,359
Profit on exchange	7,149	42
	2,066,615	2,377,330
Expenses:		
Operating, etc.	232,163	225,966
Maintenance	47,966	40,867
Taxes	47,898	45,709
	328,027	312,542
Net income	1,738,588	2,064,788
Deductions:		
Interest — bonds and prior liens	864,309	870,338
Int.—debs. & other	350,162	384,073
Depreciation	149,209	165,533
Amortization	86,213	87,414
Income taxes	42,048	49,500
Divid. on stock of subsidiary	....	....
	1,391,941	1,436,858
Balance	346,647	627,930

"The Ontario Municipal Board"

Notice is hereby given that the Municipality of the Town of Sturgeon Falls has become subject to the provisions of Part III of "The Department of Municipal Affairs Act, 1935," by an order of The Ontario Municipal Board bearing date the Twenty-fourth Day of July, A.D. 1936, and from and after the first publication of this notice in the "Ontario Gazette," all actions or proceedings against the said Municipality are stayed, and thereafter no action or other proceeding against the said Municipality shall be commenced or continued, nor shall a levy be made under a Writ of Execution against it without leave of "The Ontario Municipal Board."

Dated this 24th day of July, A.D. 1936.

M. B. SANDERSON,
Acting Secretary of the Ontario Municipal Board,
Chairman.

FOR SALE

to close an Estate

The extensive Lumber Business formerly carried on by

WILLIAM COPPING, Limited

at Joliette, Quebec,

as a going concern and comprising buildings, machinery, saw mill having a daily capacity of 100,000 feet, approximately 15 acres of land, water power and river rights, etc., stock of cut lumber, accounts receivable and 60 square miles of easily accessible timber limits, estimated to contain 30 million feet softwoods and 200,000 cords pulpwood.

Standing pulpwood may be sold separately.

For further information apply:—

THE ROYAL TRUST CO.

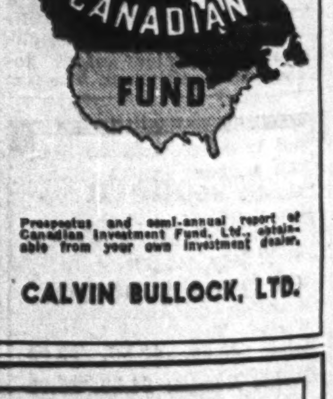
Estates Department,
P.O. Box 2580,
Montreal, P.Q.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.15. Three insertions for the price of two. Add five words when box number is required. Classified ads payable in advance.

Position Wanted

BY HONOR GRADUATE of Commerce and Finance. A Toronto resident desiring a position with enterprising company in or out of City. 24 years old, tall, good appearance and background. Further particulars upon request. Box 360, The Financial Post, Toronto.



Prospectus and semi-annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

The Solid Foundation of the Mining Industry

What does the future hold for the Canadian mining industry? Our most useful yardstick in looking ahead is to look backward and measure past achievements. Thus the growth of gold production during the last ten years reveals several remarkable statistics. The entire Dominion produced $38,000,000 in 1926. Today the dividend payments alone of producing mines closely approximate that figure. In 1925 the Northern Quebec field was virtually unknown. Ten years later the 13 producing mines of this new area will, it is estimated, yield more than half as much as Canada's entire production in 1925.

During these eventful years development of new mines has proceeded at a constantly accelerated pace. The activity in all producing areas, including Northern Quebec, continues to hold promise of sustained growth.

We are closely associated with the mining industry through the financing of the following mines: O'Brien, Perron, East Malartic, Sladen Malartic, and Bouscadillac.

The Canadian mining industry rests on the solid foundation of immense reserves of base and precious metals. Its assured future offers the investor many opportunities to share in Canada's most valuable form of natural wealth.

NESBITT, THOMSON AND COMPANY LIMITED

355 St. James Street West, Montreal

Branches in the principal cities of Canada

We Take Pleasure in Announcing the Appointment of

MR. ERIC TROOP

as

SPECIAL REPRESENTATIVE

H. R. BAIN & CO., Limited

BAIN BLDG. 304 BAY ST. TORONTO

ADelaide 4271

Bank Chat

Empire Trends

APPARENTLY, the earnings trend of the Canadian banks is lagging behind that in most sections of the Empire. In its survey of the overseas banking situation, the London Stock Exchange Gazette points to marked improvement in some of the other Dominions — notably Australia.

In the last financial year dividend increases were declared by the Bank of Australasia, the Commercial Bank of Australia and the National Bank of Australia, and it is predicted that other banks "down under" may soon find themselves in a position to make more generous distributions to their shareholders.

British West Africa is another spot where the worries of the banker are becoming more bearable. But in the more unfortunate sisters, New Zealand and Canada, very little advance has been recorded, and no appreciable improvement is yet in the offing.

* * *

Canada Out of Line

THE London journal summarizes the current trend as follows:

"In the large majority of overseas banks an expansion of deposits is reported, together with a growth in advances, and there is reason to hope that, broadly speaking, a general rise in profits will be seen in respect of the current accounting period."

It is to be regretted that only the first half of this statement applies in Canada. Deposits have shown marked growth — so much so that the total has become embarrassingly large. The trend of advances, however, despite business improvement, still pursues a tiresome downward course.

Nevertheless, in actual return to shareholders, the Canadian institutions are leaders in the field. It has been estimated that fully paid shares of England's "Big Five" yield only 3.4%. The Australian banks range considerably higher at from 3.2% to 4¾%. On a comparative basis, the holder of shares in Canada's banks receives from 4¼% to 5¼%.

* * *

Boat Banks

THOSE who have "crossed the pond" in the larger steamers and who have given any thought to the matter, have been puzzled by the banking service afforded. Where, they ask, does the bank make its profit on the relatively small amount of business to be obtained, and in the absence of loan accommodation?

The answer appears to be that it doesn't—at least, not directly. Apparently, the profit in maintaining steamer banks lies mainly in contacts. And the fact that the offices have survived for some years indicates that the tangible return arising from the intangible "connections" is a worthwhile source of income.

On board the Queen Mary, the Midland Bank has 3 well-equipped offices, one each for cabin, tourist and third class. In these offices travellers' cheques and letters of credit are cashed, foreign money exchanged and cheques drawn against current account.

At that, the life of a bank manager on any of the large liners might be considered one of the cushier jobs—for a good sailor.

* * *

Bank of Brazil

IN LINE with the trend of the last few years, Brazil is to have a central bank. A central institution was recommended about 2 years ago by Sir Otto Niemeyer of the Bank of England after a survey of conditions in the South American republic. Recent reports from Rio de Janeiro have it that the Federal Government is almost certain to introduce a bill calling for establishment of the "Central Bank of Brazil."

The mushroom growth of central banks may be attributed in large measure to the advent of managed currency systems. Under the gold standard, the value of a currency in foreign markets was automatically fixed, and domestic prices were left pretty much alone. Particularly since 1931, however, the basic monetary concept appears to have been to regulate home prices as far as possible and to manipulate the foreign exchange value to secure the greatest volume of trade.

The obvious concomitant of such a concept is that a central organization be set up to do the regulating and manipulating. Development of the banks in most leading nations may be viewed as favorable from the angle that it should facilitate negotiations leading to international stabilization.

* * *

Women In Banking

VERY few, if any, Canadian women hold positions of responsibility with the banks. It is a field in which thus far the mere male has been able to stave off the feminine onslaught into the business world.

But in the United States, the number of lady bankers is sufficiently great to warrant an association of their own—the Association of Bank Women. This group will convene about the middle of next month, just before the convention of the American Bankers Association.

Offices held by members of the fair sex included in the association's roster run the entire gamut of the banking profession from president down. Included are presidents, vice-presidents, assistant secretaries and treasurers, cashiers, trust officers, statisticians, directors, branch managers, and managers of departments such as exchange, collection, publicity, savings.

The Insurance Co. of the State of Pennsylvania will apply for release of its deposit with the receiver-general on Oct. 12.

Flow of Money Out of Alberta Claimed Small

Bankers Unalarmed By Developments in Social Credit Province

"BUSINESS AS USUAL"

High officials of the chartered banks refuse to become flustered over developments in Alberta.

It would be silly to suggest they have not been worried about the whole Social Credit platform. But progress of the Government's plan since Aberhart's victory at the polls last summer has brought to light thus far no additional cause for concern. Apparently a fatalistic attitude has been adopted. It is practically impossible to predict what may happen next. Meanwhile, those who control the destinies of the banks are "doing business as usual."

Small Flight of Funds

Bankers discount reports from Alberta that there is a steady flow of securities and funds from the province. Despatches emanating from the western province have it that this outflow has amounted in the last few months to millions of dollars. Eastern bank officials state that while there was some movement of funds to other provinces about the time of the election, there has been no pronounced trend in recent months.

Reason given in press despatches for the supposed "flight of funds" is anxiety of investors over the outcome of Aberhart policies. Against declaration of the Premier that "we are not going to take anything from anybody" the public is considering more recent statements to the effect that "The financiers might just as well know that the jig is up."

In most instances which have come to light, individuals moving securities outside Alberta are retired businessmen, this class representing a large amount of movable assets. Many of them are remaining in Alberta after taking the precaution of establishing domicile elsewhere.

Attacks Bankers

Publication of the report in Edmonton newspapers that funds were moving out, evoked from Mr. Aberhart one of his most severe attacks upon bankers. He flatly charged that banks were "closing in" on loans and "taking out the money now being repaid as fast as they get it." To this statement, bankers issue an equally flat denial. They see no reason why such action should be taken. It is felt that no confiscatory proposals are on the books in respect to bank deposits, and that the general situation is not sufficiently alarming to call for such measures.

According to a high official of one of the chartered banks, Mr. Aberhart has never approached the banks asking for co-operation.

Lost Money

Uncashed Cheques Are Reported By Royal Bank

Continuing the list of uncashed certified cheques, drafts, etc. the following balances with The Royal Bank remain unclaimed.

The Steel Co. of Canada bought a money order or issued a certified cheque for $18.85 Dec. 22, 1923. The cheque or order was issued on the Belleville branch of the bank and the money is still held there.

The Canadian Order of Foresters, sick and funeral benefit fund, No. 1, issued a cheque for $44.55 Dec. 22, 1928. The money is held in the Brantford branch of the bank.

The Elmira Creamery Co. of Elmira, Ont., issued 2 cheques—$18.56 May 16, 1922, and $31.15 March 31, 1925—which have never been cashed. The money is in the Elmira branch of the bank.

Holmes and Co. of Englehart, Ont., issued a cheque for $13.10 April 23, 1908. The money is at the Englehart branch of the bank.

Elliott and Moss, of Glencoe, Ont., issued a cheque for $20 Jan. 7, 1920. The cheque is uncashed and the money is at the Glencoe branch.

J. N. Currie and Co. of Glencoe issued a cheque or a money order for $25 Nov. 15, 1920. This money is held at the Glencoe branch.

An unknown party at Glencoe issued a certified cheque or bought a money order for $14 Feb. 28, 1920. The money is payable to the **Ontario Supply Co.,** and is held in the Glencoe branch.

Guthrie and Watt, of Guelph, issued a certified cheque for $10 in May, 1891. **D. Guthrie,** of Guelph, issued a cheque or bought a money order for $10 on Sept. 28, 1892. Both amounts are held in the Guelph branch of the bank.

Mr. Pool of Guelph issued a certified cheque on Sept. 8, 1905, payable to the **Monarch Fire Insurance Co.** The cheque never reached the company and the money is held at the Guelph branch of the bank.

Davidson and Carter of Guelph issued a cheque for $10.75 in September, 1907. The payee is not noted and the money is held at the Guelph branch of the bank.

Gus Yarvis Preston Lunch Rooms, thought to be at Guelph, issued a cheque for $30 May 9, 1917. The cheque was never cashed and the money is at the Guelph branch of the bank.

American Gold Fields Co. of South Porcupine, issued a cheque for $38.10 May 6, 1911. The money is held in the Haileybury branch of the bank.

An unknown party at either Haileybury or South Porcupine issued a cheque Jan. 2, 1925, for $397.80. The cheque is payable to the **Canadian Lorrain Silver Mines Ltd.** and the money is held in the Haileybury branch of the bank.

Taylor and Pringle of South Porcupine, issued a cheque for $25 June 28, 1911. This money is held in the Haileybury branch of the bank.

Reliable Shoe Store, 24 St. Lawrence St., issued a cheque or bought a money order for $25 Feb. 23, 1923. The money is at the St. Lawrence and St. Catherine Sts. branch, Montreal.

MARK MILESTONE

On August 21, Canada Life Assurance entered its 90th year of operation in Canada. The company was founded by Hugh C. Baker on August 1, 1847, and was the first company of its kind to be started in Canada. The company's first policy was written on the life of Mr. Baker, 3 months later.

At left is Leighton McCarthy, K.C., president of the company since 1928, and at right, A. N. Mitchell, general manager and vice-president.

Modern Woodmen of America Still Licensed in Canada

Cancellation of the license of Modern Woodmen of America in the State of Missouri does not form grounds for cancellation of its registration here according to word received by The Financial Post from G. D. Finlayson, federal insurance superintendent.

However, Ottawa officials have received the report upon which Missouri action was taken and the matter is under consideration at the present time. The Missouri action became effective July 29 following failure of the society's officials to appear at a hearing at which charges of fraud were to be tried.

Modern Woodmen of America has been operating in Canada only since August, 1930, although the organization was established in 1882. Total admitted assets of the organization in Canada as at Dec. 31, 1935, were $116,851, of which $88,000 was on deposit with the receiver-general at Ottawa, held solely for the protection of Canadian policyholders.

At the end of 1935 the federal insurance blue book reported the association to have 1,366 certificates of life insurance in force in Canada for a total amount outstanding of $1,952,000. Premiums paid in by Canadian members in that year totalled $59,000. Chief officer for the organization in Canada is J. W. Gault, of Winnipeg. The head office is at Rock Island, Ill.

Following cancellation of the license in Missouri, announcement was made by Ernest Palmer, director of insurance, Illinois, and president of the National Association of Insurance Commissioners, that a special examination of the books of the fraternal would be started September 8 by examiners from the insurance departments of 8 states, in addition to the fraternal's home state of Illinois.

It is promised the examination will be completed before the end of the year and urges "that the departments of several states in which the society does business will await the outcome of this examination."

The states conducting the examinations are those in which the bulk of the society's business is outstanding. They are: Kansas, Oklahoma, Pennsylvania, Washington, South Dakota, Wisconsin, Minnesota and Virginia. The Missouri insurance department recently concluded its own examination of the society's books and apparently there is disagreement between the actuaries of this department and those of the Insurance Commissioner.

Ranks Life Insurance Most Dependable Property

(FROM THE TRAVELERS PROTECTION)

Did you ever stop to think that life insurance is about the only kind of property that you can determine, in advance, exactly what it will be worth at your death?

If you own bonds, stocks or real estate, you can figure up pretty closely what they are worth today, but you have no way of knowing what they may be worth one, 5 or 10 years from today.

If you own a $10,000 retirement income at 60 contract, you can check its exact value year by year until you reach age 60—and if you shouldn't live to age 60, you know that it will be worth $10,000 in cash or more if paid in the form of a monthly income, immediately after your death.

Even more important, you can determine the exact income which this retirement income policy will produce. You know that it will pay $100 a month for life, starting at age 60. If the proceeds are payable on the monthly income plan, you can determine in advance exactly how much it will pay and for how many months it will pay it after your death.

It would not be difficult to pick a list of bonds or stocks which would yield an income of approximately $100 a month for the next few months. But it would be most difficult, if not impossible, to pick a list of securities which would yield approximately $100 a month, 5, 10 or 20 years from today.

Life insurance is the most dependable kind of property that you can own.

Bank of Canada Weekly Statement

Deposits of the chartered banks with the Bank of Canada dropped almost $3 millions in the week of Aug. 12. Other items to record material change were note circulation, which rose almost $1 million, United States reserve, up $2 millions, and the vague classification "all other assets" which declined by $5.8 millions.

Balance Sheet

	Aug. 12 $	Aug. 5 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in cir.	102,140,693	101,208,957
Rest fund	173,092	173,092
Dep.: Dominion	20,391,760	21,012,936
Banks	185,640,644	188,543,483
Other	801,970	1,282,376
Total deposits	206,834,374	210,838,795
All other liabs.	2,340,716	3,330,347
Total liabs.	316,489,875	320,551,191
Assets		
Reserve: Gold	179,431,389	179,415,994
Silver bullion	1,822,463	1,783,301
Res. in sterling	589,833	323,505
Res. in U. S.	14,872,999	12,841,323
Res. elsewhere	4,638	5,356
Total reserve	196,721,322	194,369,479
Subsidiary coin	217,922	231,606
Advances	3,000,000	3,000,000
Investments:		
Dom. govt. /short	31,560,569	31,567,666
Other Dom. govt.	80,615,117	81,251,736
Total invest.	112,175,686	112,819,402
Premises	213,064	213,064
All other assets	4,160,880	9,917,621
Total assets	316,488,875	320,551,191
Reserve ratio	63.66%	62.28%

Weekly Bank Clearings

	Aug. 13 1936 $	Change Year Ago %	Aug. 6 1936 $
Halifax	2,311,207	+12.6	2,617,935
Saint John	1,213,984	+13.7	1,857,457
Moncton	692,596	+ 9.5	698,325
Sherbrooke	530,673	+ 5.1	646,499
Quebec	3,651,119	— 1.4	5,272,894
Montreal	86,356,108	+17.6	100,549,945
Ottawa	25,619,029	+73.7	23,366,128
Kingston	510,889	+ 3.6	547,628
Peterborough	628,077	+ 8.5	613,493
Toronto	105,330,601	+15.5	105,527,958
Hamilton	4,068,588	+23.3	4,498,510
Kitchener	987,550	+22.7	1,191,362
Brantford	870,751	+14.5	839,203
London	2,370,625	+ 6.2	2,779,190
Chatham	349,898	+40.5	....
Windsor	2,318,866	+21.9	2,320,064
Sarnia	488,393	+19.3	379,081
Sudbury	1,061,480	+25.4	869,497
Fort William	959,618	+46.4	894,870
Winnipeg	58,256,437	+32.7	77,618,703
Brandon	285,092	+ 7.0	352,061
Regina	2,927,707	+ 4.4	5,262,539
Moose Jaw	507,080	+29.3	563,207
Saskatoon	1,256,454	— 2.4	1,679,744
Prince Albert	311,966	— 4.2	376,627
Edmonton	3,536,735	+ 6.3	3,834,348
Calgary	4,565,367	+ 9.9	6,172,844
Medicine Hat	231,717	+ 6.4	232,068
Lethbridge	424,728	+ 4.3	437,587
N. W'minster	744,231	+22.0	681,849
Vancouver	17,239,039	+19.1	20,979,070
Victoria	1,596,964	+ 2.6	1,979,672

Insurance Inklings

V. E. WILSON has been appointed inspector for Ontario by the Atlas Assurance Co., succeeding W. J. MARTIN who resigned to join the firm of Smith, Mackenzie, Hall & Hunter.

EMPLOYERS' LIABILITY ASSURANCE CORP. has been granted a certificate of registry by the federal department of insurance to write inland transportation insurance in addition to the classes for which it is already registered.

CARL SICHLING, formerly district manager at Carbondale, Mich., for Great-West Life has been appointed branch manager. The new Carbondale branch will include in its territory all the southern part of the state of Illinois. The company's branch office at Chicago will continue under the management of Earl M. Schwemm.

H. F. BENNYHOFF has been appointed district manager at Decatur for Great-West Life.

ROBERT McCONDACH has been appointed district manager at Duluth for the Great-West Life.

R. HOULE has been appointed district manager in charge of the Montreal Island French department of the Montreal office of National Life.

F. J. McAVOY has been appointed district manager at Sault Ste. Marie for Manufacturers Life. He was formerly inspector of Kingston branch. He replaces J. A. McCUTCHEON who became district manager at Barrie in 1935.

Manufacturers Life recently held its Hundred Thousand Dollar Convention at Lake Champlain. This is the first time this meeting has ever been convened in the United States.

Staff Changes

The Imperial Bank has announced the following changes in staff:

A. O. MURRAY, formerly manager at Ingersoll, to be manager at Thorold, Ont.

J. R. HENLEY, formerly manager at Thorold, to be manager at East End branch, St. Thomas.

T. R. JONES, formerly manager at East End branch, St. Thomas, to be manager at Ingersoll.

"Canada's Largest Fire Mutual"
The WAWANESA MUTUAL INSURANCE CO.
Ranks 3rd against all companies on total volume of fire business written in Canada
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
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Crop Insurance Trials Present Bleak Record

Success Limited to Specialized Farming in Selected Areas

Crop insurance, which is now engaging the attention of a Saskatchewan commission, in the past has been rather a dismal failure.

Crop insurance as such, many claim, has never been given a broad and thorough trial. Such spasmodic attempts as have been made, however, have given some indication of the pitfalls to be avoided. Proposals to ensure an adequate return to the farmer have been predicated on insurance of both yield and price. Both types have proved unsuccessful, but proponents contend that the venture can be placed on a scientific basis.

As a result of the limited experience with this type of insurance, the data compiled by the committee investigating crop insurance for the Saskatchewan Government is of considerable interest. The first attempt at writing crop insurance, so far as is known, was made back in 1899, when a Minneapolis company guaranteed the farmer that his grain would be worth at least $5 an acre at harvest time. The guarantee represented insurance against a decline in price, as, with a low price, a good crop might be worth less than the face value of the policy. The premium rate was 5%.

Failure of the venture is attributed to inefficient management and also to the fact that the rate charged was too low for the insurance limit.

Insurance of Yield

In 1917, 2 companies operating in the spring wheat sections of Minnesota, North and South Dakota and Montana issued a policy covering all the usual hazards except fire, flood, winterkill, or inefficiency of the farmer. This time the rate was 10% or 70 cents an acre. An attempt was made to insure land on which the yield in the 3 previous years had been $7 an acre. In the event of partial failure of the crop, the company agreed to pay the difference between the estimated value of the crop and the face value of the policy. This estimated value was determined by a fixed price per bushel for the partial crop, so that risk of decline in the market value of the grain was not covered.

The major cause leading to the discarding of this scheme was severe drought which prevailed over most of the insured area. Contributing factors were failure of the companies to differentiate between localities as to soil or moisture variations, and underwriting too late in the season.

Hartford Experiment

The next venture was in 1920 when the Hartford wrote about $14 millions of crop insurance at a premium averaging about 5.75%. This policy covered losses to growing crops from causes other than fire, hail, wind or tornado, inefficiency of the farmer, and failure of seed to germinate.

At first the Hartford policy was based in respect to amount, on a schedule of costs per acre as estimated by the applicant. That is, a percentage of the sum of expenses was taken as the amount of insurance per acre. In case of total loss, the insured was to receive the total amount of the insurance unless the crop were abandoned early in the season, in which event he would receive his outlay up until that time. In partial losses, the company undertook to pay the difference between the face value of the policy and the actual market value of the damaged crop at time of harvest.

Price Decline Costly

In view of insurance against a fall in prices, the drastic decline in 1920 cost the company some $1.7 million. Losses of $2.5 millions far exceeded premium income of only $800,000. The company was also confronted with wide variation in the cost estimated by applicants.

As a result, the factor of price fluctuation was eliminated. A revised policy provided that indemnity was to be based on a percentage of the average yield of the applicant during the previous 5 years. Further, if production cost was equalled by the value of the crop, no indemnity at all would be paid. In this way, if average production was 15 bushels and the contract was based on 10, no indemnity would be paid, provided the crop was 10 bushels an acre. On the other hand, if production was 5 bushels but the price was so high that cost of production was met, no indemnity would be paid.

This policy, designed to protect the interests of the company, failed to find favor with the farmers and practically no business was done.

The Home Insurance Co. of New York offered a policy similar to that of the Hartford in 1920 and 1921. Some business was done in the latter year in Alberta and Saskatchewan with unsatisfactory results.

Mutual Enters Field

The Agricultural Protective Mutual Insurance Co., of Kansas, wrote crop insurance in 1931 and 1932. The A. P. Mutual issued a policy based on allowing a stated amount for each seeding and harvesting operation, this amount varying according to zones and soil conditions. Rates varied from 5% to 13.2%, according to the various zones, and risks were carefully selected. All major risks, including hail were covered, but the maximum insurance on a single risk was placed at $2,000.

In case of total loss, indemnity would not exceed the operating costs up until the time of loss. Partial loss was indemnified to the extent of the difference between the value of the crop at threshing time and the face value of the policy.

The sharp drop in grain prices in the 2 years the company issued the policy resulted in severe losses, and no insurance has since been written. The manager of the company claims that a profit could have been made if the price of wheat had not fallen under 50 cents a bushel.

Since 1920, the experience in crop insurance has led to a tendency to limit the field to selected areas where intensive farming in fruits and vegetables is carried on. These attempts have met with some measure of success.

New Business Gain For North America

An increase of 16% in new business settled, increased and revived is reported for the first 6 months of the year by North American Life. The company also reports a gain of $7.5 millions in business in force (settled business basis).

The company reports 29 agencies made increases in settled business during the first 7 months of the year and that there was an increase of 45 in production club membership during that period.

Largest Single Coverage On San Francisco Bridge

The new San Francisco-Oakland bridge across San Francisco harbor is being insured for $44 millions of multi-risk insurance. Coverage, to run for 5 years, is believed to be the largest amount ever placed on any single risk.

Property insurance will total $36 millions, with $8 millions more for use and occupancy, the latter coverage being for a 2-year period.

The new bridge is slightly more than 8 miles long, and insurance protection applies to the entire structure, approaches, viaducts and spans. The rate is 40 cents annually, or $1.60 for the 5-year contract. Property damage is subject to deductibles of 1% with respect to all perils covered other than earthquake which is subject to deductibles of 5%.

C. E. Walls Leads Occidental Agents

C. E. S. Walls, Winnipeg, led the Canadian agency force of Occidental Life Insurance Co. in the year ending June 30. He headed the Canadian delegation of the company's convention at Lake Tahoe, California, on August 18.

O. M. Anderson, of Vancouver, ranked second.

Canadian production in 1936 is said to have exceeded the company's average increase for all territory.

Illinois Requires Bond From Brokers of Lloyd's

Brokers representing Lloyd's of London in Illinois must each post $5,000 to insure "faithful performance of all obligations," if they desire to retain their connection, the attorney for the London underwriters announced recently. Representatives of Lloyd's in Canada explain the deposit is similar to the $2,000 brokers' bond required in Saskatchewan to cover taxes on unlicensed business.

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TORONTO, AUGUST 22, 1936

S. C.

WHO says there is no Santa Claus? Reading the Calgary Herald last week we found out where he lives, what his name is and what he is going to do.

Here's the secret.

His name is Hon. E. C. Manning, provincial secretary of Alberta. His business address is the Legislative Buildings at Edmonton.

His plan for bigger and better Christmases which are to be held not in the old-fashioned manner of once a year but hereafter once a month, is as follows:

First, a payment of monthly basic dividends to every bona fide citizen of the province.

Second, interest free loans to industries and manufacturers to aid in industrializing the province.

Third, bonuses to those producing primary products. Thus, farmers who face a low market price for their wheat (insufficient to meet the costs of production) would be bonused by the government to the extent that they could meet production costs and have something for themselves.

Fourth, loans to citizens to enable them to liquidate their debts.

Fifth, issuing credit discounts to enable retailers to clear their shelves.

What more of a Santa Claus could you wish?

But wait a minute. You and I and all of us learned when we were about 15 years old, that someone has to pay Santa's bills. Mr. Manning remembered this too when he spoke to Calgary's Trinity United Church last week.

So for just a minute he pulled off his whiskers and said:

"There is one thing we don't want you to do, don't try to use Alberta credit for the tools of the financiers. Don't try to exchange Alberta credit for currency."

Funnily enough both Social Credit and Santa Claus begin with the same initials. They both end the same way, too. For sooner or later all of us grow up to find that no matter how kindly and benevolent the old gentleman may be in his promises, the only currency he really recognizes—ultimately—is cold hard cash.

And Social Credit promises—like those of Santa Claus—must sooner or later meet this test.

A Royal Example

HOW foreign trade grows by a multitude of individual efforts is well illustrated by a well-authenticated story going the rounds in Great Britain. The story goes that Hon. Howard Ferguson, while High Commissioner, sent to the Princesses Elizabeth and Margaret Rose a present of some Canadian maple sugar.

The careful parents, Duke and Duchess of York, sampled and approved the dainty. It awakened their interest in maple syrup which they ordered. The news of a delectable syrup new to most Britishers spread from royal circles to aristocratic homes and the demand is broadening down as the illustrious precedents become known.

To many Canadians it will be a great surprise to learn that maple sugar or maple syrup to some Britishers is "like caviare to the ordinary." They say they don't like them. But to most they are as delicious as most Canadians claim. From this small beginning it should be possible to build up a good trade.

It is not a big trade yet. But the much-quoted adage that big oaks from little acorns grow is a good one to remember when it is recalled that last year when Canada's maple sugar exports (mostly to U.S.A.) dropped almost in half, Canada increased her sales in Britain from 24,718 to 34,981 pounds.

From just such a modest introduction, Great Britain has now grown to be the largest importer of Canadian fruit juices and syrups. That market should be eventually a good one for maple sugar and syrup, if properly cultivated by sending highest quality products.

The World Conflict

MOST people realize by now the wide implications of the Spanish Civil War. They realize that this bloody struggle between Communists and Fascists is linked all too closely with the much larger struggle between government and society and which has spread with increasing tempo since 1917.

Few of us, however, stop to realize the implications of this struggle as far as Canada is concerned, except through the consequence of a general war in Europe involving Britain and the British Empire. Elsewhere on this page is printed a timely article from the pen of Mark Sullivan in the New York Herald-Tribune. By substituting the word Canadian for his word American we get an extraordinarily clear and illuminating picture of "an underlying conflicting force which is the fundamental pattern of the world's travail."

Mr. Sullivan might well have named Canada when he says that the United States with Great Britain and some smaller countries is the last firm stand of democracy. He speaks also for Canadians when he questions whether we can be sure even on this continent that democracy will hold its own in face of the world-wide retreat that has taken place and is still going on since 1917.

For certainly there is much to support his view that the world today presents ". . . . a picture of democracy shrinking in area, Fascism and Communism expanding. A picture of democracy in retreat, democracy fighting a rear guard action for survival, with Fascism and Communism contending against each other for increasing areas of the earth's surface." It is alarming and pathetic, he says, that Fascism and Communism do not at the moment think it worth while to fight democracy for they seem to take it for granted that democracy is through.

What then is the challenge?

Simply that those who cherish democracy must fight to save it from extermination, must fight against "a movement which everywhere submerges the individual, everywhere gives to government unlimited power to compel the individual, everywhere reduces the individual to complete subjection to the will of whoever gets control of government."

Geography has for the time being blinded us to the seriousness of this challenge. This may not always be the case, any more than in 1914 when we found ourselves rapidly drawn into another great world conflict.

Inadequate Ontario Companies Act

AS AN individual example of the shortcomings of the Ontario Companies Act, take the case of Dufferin Paving & Crushed Stone, Ltd. This company was reorganized in 1935, and the former first preferred shares held by investors were exchanged for new series A five per cent debentures.

The company's earnings fell away badly in the depression so that preferred dividends were stopped in 1932. On Jan. 1, 1936, however, the company was able to pay interest on its debentures. How it was done remains something of a mystery to debenture holders because they have not received statements of the company's earnings and affairs for the 1935 year.

Granted that the company's business has improved in the past two years, why should debenture holders not have the privilege, under the law, of demanding satisfactory annual statements so that they could appraise the real value, if any, of their securities? Under the Ontario Companies Act, they have no such privilege.

In fact, under the Ontario Companies Act, it is not even necessary to send annual statements to shareholders if by-laws permitting such an omission are adopted by majority shareholders.

Now that the Dominion Companies Act has been revised, provincial governments have the opportunity to perform a genuine service to the investing public by reforming their corporation laws. Simplification could be obtained by close adherence to the Dominion statute.

The Future of Prices

A COMBINATION of drought and armament expenditure has served to focus attention on commodity prices. Almost imperceptibly these have been forging ahead for the last 3 years, in an advance almost world-wide in scope.

The importance of this trend cannot be overestimated. Throughout the depression expert observers have regarded recovery of prices to some semblance of "normal" levels as one of the prerequisites of prosperity. Almost unnoticed, Canadian prices have climbed 20% from depression lows, with further advances predicted.

Of even greater significance from the Canadian viewpoint is the fact that prices of farm products have gained relatively to those of manufactured goods. Dislocation of prices in these groups has undoubtedly been one of the major factors prolonging depression. From the national outlook, then, as well as that of agriculture, the narrowing spread is viewed with considerable satisfaction.

There is almost unanimous agreement that the trend of commodity prices generally will continue to be upward. In view of business recovery, depletion of excess stocks and the monetary situation, it is difficult to see how it could be otherwise. There is a danger, however, that a monkey wrench may be tossed into the delicately balanced price mechanism.

A changed economic philosophy has substituted for the former gold standard a number of individual, internally managed currency systems. In effect, the spread of nationalistic ideals to the monetary sphere has led many nations to adopt monetary policies by which the internal level of prices is subject to some measure of control. This has been accomplished at the price of international stabilization.

Thus, if, as most agree, a world-wide advance in commodity prices is of prime importance to further recovery, steps should be taken to prevent any development which might throw the entire price structure out of line. Some form of international currency stabilization agreement seems essential, at least until a more secure world financial situation has evolved.

True, exchanges, influenced in some measure by exchange stabilization funds, have been quiescent for some time. But lacking some agreement between the leading countries, devaluation in France, which most authorities are convinced is inevitable, may well be the spark to incite once more the merry, mad riot of competitive currency depreciation which was a feature of the financial crisis.

Editorials in Brief

The newspaper report of a wheat pool picnic at Round Lake, Sask., says:

"During the past five years European countries have imported 860 millions of bushels of wheat less than normally, Mr. Wesson said, and he stressed the importance of an international grain organization and the elimination of the speculative system of marketing."

If the establishment of the International Wheat Committee and the handling of Canadian wheat through a government body have only resulted in cutting Europe's purchases by 860 millions of bushels, it would seem that what it wanted is less international co-operation and more speculation.

* * *

Do you remember when every lady of standing in the community had her monthly calling day? There were second Wednesdays and third Thursdays, and the rules of the game were carefully played and kept by everyone.

The modern version of this old custom is to be found in Alberta, where Mr. Aberhart's government has notified wholesalers and manufacturers of the government calling day, on which businessmen will be allowed to drop in and cash their surplus scrip.

The big days, according to the notice, are the Thursday, Friday and Saturday following the second Wednesday of every month, commencing with September.

* * *

As if educating young Canadians was not already complicated enough, Hon. William Aberhart has placed on the recommended list for Alberta's 5,000 schools, five Social Credit publications, three of which are from the pen of Major C. H. Douglas.

Some bright young man or woman (or perhaps scores of bright young men and women) will start reading these books some day, and like Mr. Aberhart when he stayed up all night reading Maurice Colbourne's "Economic Nationalism," will get the sort of vision that seized the Alberta premier on this auspicious occasion; thus raising a new crop of evangelists for the Social Credit gospel.

All depending, of course, on whether Albertans look on William Aberhart as saint or Satan in a few years time.

* * *

Moose Jaw has just come across a Dominion Bureau of Statistics report for manufacturing in the prairie provinces in 1934 and finds to its delight that it was the "greatest manufacturing city in Saskatchewan" in that year.

From a provincial viewpoint the honor is rather a doubtful one since it was obtained by reason of the fact that production of manufactured goods in Regina dropped in the 5-year period 1929-1934 from $34.8 to $9.2 millions. In the same period Saskatoon's manufactures slipped from $15.9 to $8.3 millions. The respective figures for Moose Jaw were $14.6 millions and $10.8 millions.

The notable feature of the Moose Jaw returns is the sharp recovery that has taken place since the depression. The low point of production was reached in 1932 with output of $6.6 millions. The gain in two years is therefore 65%.

Post-Scripts

THE manager of a big western storage warehouse told the prairie representative of Bus and Truck Transport that his is a strange business. Here's what he said:

"A certain lady put all her household belongings in storage, went to the United States to live, where she later died. Her heirs instructed us to open her trunks, etc., keep anything of real value, sell or destroy the rest. What do you think I found? Dresses, gloves and most expensive clothing galore. Victory bonds amounting to a few thousand dollars, also a large quantity of expensive jewellery.

"In our business we get so many mysteries that we never try to figure them out."

Sayings of the Week

"An expert is usually just an ordinary fellow a long way from home."—*Charles C. Pettijohn.*

* * *

"We women do talk too much, but even then we don't tell half of what we know."—*Lady Astor.*

* * *

"I am grateful for the unusual blessings which have come to me in my life."—*John D. Rockefeller, Sr.*

* * *

"The typewriter is a boon to authors, as it enables them to say more and mean less than any other invention."—*Will Cuppy.*

* * *

"This is the first quiet moment I have had for years."—*Alois Stephen, young Austrian, jailed for marrying 61 women for dowries.*

* * *

"I believe a new stability would be given to the world if other great economic units were developed similar to the British Empire."—*Sir Samuel Hoare.*

* * *

"It is during moods of total detachment from the everyday world that ideas are fostered and whipped into a mold for eventual realization."—*David Allan Bates.*

* * *

"I can tell you from my own experience that you will get rain, thunder and plenty of storms in the public service." — *Fiorello La Guardia, mayor of New York.*

* * *

"There is only one country that has the right to demand everything we possess, including our lives, and that is Canada."—*Prof. Jean Bruchesi, University of Montreal.*

* * *

"When you are saying something which doesn't seem to mean much, you must say it with a great deal of authority."—*Virgil Thompson, collaborator of Gertrude Stein.*

* * *

"We have taken better care of the idiot than we have the genius; we have coddled the moron and starved the intelligent." — *George Barton Cutten, president, Colgate University.*

* * *

"It is established by economic statistics that our working men are contributing one day's wages in 3 to pay for government expenditure, in direct or indirect taxation." — *Hon. Frank Carrel.*

* * *

"Go to Canada if you want to make a fortune. The next 25 years are going to see more economic development in Canada than in any other country of the world."—*Thomas J. Watson, director of the N. Y. Federal Reserve Bank.*

* * *

"Goering, Goebbels and Schacht recently visited one of the principal restaurants in Berlin and contrived to remain unrecognized. Goering was not in uniform, Goebbels was silent, and Schacht paid the bill."—*Wall Street Journal.*

* * *

"During the last 25 years has come a new species of pedlars of psychological treatment known as practical psychologists and character analysts. Their appeal is to the fundamental desires and weaknesses of the Boobus Americanus."—*Dr. Morris Fishbein.*

—Drawn for The Financial Post by R. Kaell.

THE NEW BROOM

The Great World Conflict

Mark Sullivan in New York Herald-Tribune

In America, 9 out of 10 of us, so far as we think in terms of public affairs, keep our minds on the approaching Presidential election. That is natural enough. Yet to discuss whether Mr. Roosevelt will carry New York or Governor Landon carry the Mid-West, or how many votes the Union party will get—all that, ample enough in the comfortable times when America would be self-centred—all that seems tragically insular, in the light of the great forces that are abroad in the world.

Even Americans who pay any serious attention at all to world affairs think mainly about, whether or not the present situation in Spain will lead to a general war in Europe. For dwelling on that there is abundant justification. But a more searching enquiry into just what is going on would uncover an underlying conflict of forces which is the fundamental pattern of the world's travail.

Two Forms in Pre-war Days

Until 1917 there were 2 forms of government and society. One was monarchy, with varying limitations. The other was democracy, of which the United States was the outstanding example. Democracy was the newer form. It was the latest model. Before 1917, wherever in the world changes of government took place, they were in the direction of democracy. That the whole world would gradually take on democracy was perhaps the one conviction most generally held by persons who thought about society and government.

Then, in 1917, came something new, the Communism that was set up in Russia. This was thought by most persons to be merely a passing phase, an incident of revolution into democracy. But while we waited for democracy to arrive in Russia there came into the world another new thing—Fascism in Italy. And then years later a variation of Fascism took foothold in Germany.

Democracy in Retreat Since 1917

Since 1917 democracy has been in retreat. It is no longer the latest model. Although the world has been in a ferment of change, the change has not been toward democracy. Since 1917 the 2 forms of society and government that have been extending the area they cover are Communism and Fascism. Just now the 2 are in battle to determine which shall have Spain.

Is not that a correct outline of what is going on in the world? It is a picture of democracy shrinking in area, Fascism and Communism expanding. It is a picture of democracy in retreat, democracy fighting a rear-guard action for survival—with Fascism and Communism contending against each other for increasing areas of the earth's surface. It is significant, and to Americans alarming and pathetic, that Fascism and Communism do not, at the moment, think it worth while to fight democracy. They seem to take it for granted that democracy is through. Fascism and Communism fight against each other to determine which is to be the successor of democracy.

Both Are Foes of Democracy

Whichever wins, and wherever either wins, both bring denial of the fundamental characteristics of democracy. Both deny the idea of a free society, both deny any distinction between government and society—both insist that government and society are one, the "totalitarian state." Fascism and Communism both deny parliamentary government; both use dictatorship as the mechanism of government. Both deny the division of government into co-ordinate branches, both insist on the "authoritarian" conception. Both deny the supremacy of law, both conceive of government as government by men rather than by laws. Both deny the right of free speech, both deny freedom of the press, both deny freedom of religion. Both deny courts as independent tribunals standing between the government and the individual. Indeed, the broad underlying principle common to both Fascism and Communism is that the individual has no rights which government needs to respect.

To recite what Fascism and Communism deny is to recite what democracy assures. Fascism and Communism are the negation of democracy. Wherever Fascism or Communism takes hold, it is the extinction of democracy. And today those who cherish democracy are under the necessity of fighting to save it from extermination. That battle is on, and up to this moment it does not go in favor of democracy. It is not too much to say that the United States, with Great Britain and some smaller countries, are the last firm stand of democracy.

That the battle goes against democracy in the world is certain; the map tells the story. Can we be sure that, even within the United States, democracy holds its own?

If this is not the true pattern of the present state of the world, I should like to be enlightened by some competent student. To be contradicted convincingly would be a relief. But if this is the true pattern, it is something for Americans to think seriously about.

New Era in Merchandising

Hardware and Metal, Toronto

One of the leading authorities in this country on merchandising, who has recently completed an extensive tour throughout many parts of Canada calling upon retailers and investigating merchandising practices, states that he was absolutely astounded at the evidences of the further strengthening of the position of the independent merchant.

Those retailers who have come through the crucible of keen competition and reduced volume of business during the depression years are reported to have developed qualities which ensure rapid progress for them during better times. He points out that a large proportion of these merchants are today keen, alert and resourceful. They are employing the most intelligent methods in the direction of their businesses and are aggressively acting to stimulate trade. They have made their stores more attractive, they are buying to better advantage so that there is less and less of a price differential as between themselves and mass buyers, they are training their salespeople, they have modernized their stores, they have attractive sales-compelling window displays and good local advertising. These elements, plus the natural advantages which they have through personal acquaintance with their clientèle, are said to be greatly strengthening their competitive position.

Independent retailers have in many centres made such rapid progress in the last year or 2 that other retailing organizations such as chain and department stores are showing some concern. In many cases the latter have declined greatly in numbers and in their proportion of total business done.

These facts are eloquent of a new era, of which all suppliers of merchandise must take cognizance. These dealers are keen for information about lines which they can profitably merchandise and they insist on their sales staff being equally well informed. Business is becoming spread over a wider area with a larger number of buyers to be informed concerning merchandise and the claims made for it.

The independent merchant learns lessons from the mail-order house and the department store, and more latterly, he has learned from the chain stores. Each of these 3 developments was at one time held to be the Nemesis of the independent retailer, but he has outlived them all and has been strengthened by his experience in meeting their competition.

Manufacturers' promotional plans will be adjusted in tune with this new retailing condition because it is quite evident the next decade will see a tremendous growth in efficient retailing on the part of independent merchants throughout this country.

The New Brain Trust

There was a day when Franklin Roosevelt's brain trust functioned as an efficient, compact, highly-publicized machine, say Drew Pearson and Robert S. Allen in Redbook. The members met regularly with the gentleman whose brain they supplemented, mobilized his facts and figures, bombarded him with ideas on everything from the control of wealth to the control of birth and watched Professor Moley mold these ideas into a homogeneous whole. It was an institution unique in presidential history; but its day is no more.

The new brain trust that has grown without any fanfare is said to be far different from the old, first, because it has grown so quietly that hardly anyone knows it is there and secrecy is one of its greatest assets. Second, because it never meets as a unit, never sits in joint consultation over the next speech the president is going to deliver. There is no one funnel through which all ideas pour to the presidential desk as in the day when Professor Moley was guardian of the cerebral portal. Roosevelt himself acts as his own funnel—"jiggled too much in the hand of Moley."

Among those comprising the new brain trust are named: Tom Corcoran, a young Boston Irishman, who acquired his brand of liberalism at the seat of Prof. Felix Frankfurter and his knowledge of Wall Street from the firm of Senator McAdoo. His team-mate is Ben Cohen and together they drafted and were largely responsible for the Stock Exchange Act, the Holding Corporation Bill, the Social Security Act and the Truth Securities Act. Officially, Cohen is in the legal division of the Public Works Administration. Actually, he is the most important legislative draftsman of the New Deal.

Holdovers from the old brain trust include Charles Taussig, who still comes to Washington regularly once a week and is an "idea" man—an initiator and promoter rather than a speech-writer. Also Adolf A. Berle of Columbia, who once wrote some of Roosevelt's most radical campaign speeches, then allied himself to Mayor Laguardia of New York, and dropped completely out of the New Deal picture. Now he is said to be back again, making a regular weekly trip from New York and taking part in the drafting of Roosevelt's speeches once more.

As for Rexford Tugwell, he is said to be still very much part of the New Deal picture and close to the President, but shunning limelight as if it were the electric chair.

Latest addition is Stanley High, for many years editor of the Christian Herald and a leader in the Church and Peace world. More recently religious broadcaster for the N. B. C. he was lent to White House to win for Roosevelt the support of Church and Peace groups. To this end, he arranges conferences with religious delegations, looks over all speeches in regard to policy, calculated to win Liberal support.

Another new addition, and one of the president's oldest friends, is Sumner Welles, now Assistant Secretary of State, who is not only chief liaison officer of the State Department but contributes important material to Roosevelt's speeches and policies.

What stands out in the work of this new brain trust is administration rather than inspiration. The old thought-provoking days are over. The good old days when General Johnson was trailing headlines all over the horizon; when Professor Moley was making sudden seaplane dashes to the Amberjack; but Professor George Warren was squeezing the value of a dollar with the same avidity as he squeezed eggs from his farm management hens at Cornell—yes, those good old rough and tumble days are over.

Roosevelt has now reached the shakedown days, and his new brain trust is avoiding pyrotechnics.

As Others See Us . . . . .

Every Man an Ambassador

Truro Daily News

The hard headed business man who thinks of something more than dollars and cents is coming to the fore and in evidence from day to day, we think more than ever.

The Financial Post is Canada's leading financial paper and amid all their editorial and other work covering financial matters we clip the following paragraph from their editorial column. It speaks for itself and is evidence of the high moral calibre of The Post's editorial writer.

The paragraph is something that might well be called to the attention of many young people today by those in authority over them:

Every man is an ambassador for his native country when he goes abroad. If he commits a crime he fouls his country's name as well as his own. If he lives righteously and honorably in the eyes of men he enhances his country's reputation. If, through good fortune or the reward of toil, he achieves a position of some public prominence, then his representation of his native land becomes that much greater.

Stop Me If You've Heard This One . .

"Good-by, darling. Look after the home well and if you need any money while I am away just go to the bank."

"Yes, dear. What time does the bank close today?"

Other Peoples Views . . . . . .

American Recovery

The London Economist

The immediate outlook for American recovery is undoubtedly favorable. There are many fundamental problems to be faced. The banking system is as unstable as ever—if not more so. No progress is being made toward the necessary reorganization of agriculture to meet a changed world situation. Less than none has been made toward adopting the political and constitutional structure of the country for the solutions of these problems. The permanent policy for succouring the victims of erratic industrial progress has yet to be devised.

No one would underrate the importance of the magnitude of any of these problems. But none of them seems likely to threaten the immediate future of the recovery movement. America can safely turn its attention to the hustings.

The New Trade Pacts

Regina Leader Post

An article in "Canada's Weekly," journal published in Great Britain and devoted to Anglo-Canadian trade, suggests that a sense of fairness continues to be felt in the Old Country with respect to the Ottawa agreements of 1932—agreements that are to come up for revision next year and that are likely to be thoroughly considered at the Imperial conference that will follow the coronation of King Edward.

There is reason to think that there will be more "frank and full discussion" of Anglo-Canadian trade at the Imperial conference of 1937 than there was at the conference at Ottawa in 1932. The Canadian delegates to the conference of next year will be governed by a sense of fairness on the whole subject of Empire tarde that will likely lead to better permanent results. Over a long period of years a fair agreement will produce better results than one that involves an aggrieved party.

Tariff Juggling at Ottawa

Winnipeg Free Press

An indefensible piece of tariff juggling at Ottawa, which will increase operating costs in farming, logging and possibly other industries, has come to light in the past few weeks.

The duty on tires for tractors and logging trucks has been hoisted by Dominion officials by the device of a change in classification, an old and much-used expedient. They have no instruction from parliament to make this change in tariff rates, and their act is directly contrary to the declared policy of the Liberal Government.

Without authorization from the law-making power in this country, they have decided that the tires in question — which entered Canada duty-free or at 15% under the high-tariff Bennett Government — shall henceforth bear a duty of 30%.

Under a ruling of June 17, 1936, rubber tires for tractors and logging trucks are no longer "complete parts." They enter Canada henceforth as tires, a wholly separate item in the tariff, and as such they are subject to a 30% duty when they come from the United States, the source of nearly 100% of Canadian imports of this class. This jump in the tariff means an increase of $100 to $200 in the price of a set of 4 tires for the average tractor, and a slightly less increase in the price of a set for a logging tractor. A British Columbia logging company, the B. and K. estimates a rise of $1,000 a year in the cost of its operations.

The duty on tractor tires will impose a severe tax on any farmer already using them. It will put tractor tires out of reach of many other farmers who may have considered buying a set. The use of tires on tractors is said to be highly advantageous. A tractor so equipped, it is said, uses 30% less fuel and does 40% more work than a tractor with steel wheels. Tractor tires are coming into general use in the United States, but no sooner do Canadian farmers begin to learn their value than an official at Ottawa presumes to hoist their price by $25 to $50 apiece.

An appeal to the tariff board against the new ruling is suggested. Such an appeal should not be necessary. Tractor tires should be put back on the free list immediately. If there was any legitimate excuse for making them dutiable, parliament can be told about it next winter and asked to vote on the question.

New Deal's Hour Glass

Whaley-Eaton Service

Much of the New Deal legislation was enacted as an emergency programme. Time limits were placed on various agencies and they must quit functioning unless renewed by the next Congress. The lending power of R.F.C. expires in January. So does the Stabilization Fund and the President's power to change the gold content. Hull's reciprocal-trade authority ceases next June. Money unexpended by P.W.A. ($5 billions Relief Fund) must be spent by June 30, or not at all. The Civilian Conservation Corps and most other emergency relief agencies also must be continued by new legislation. A Congress hostile to the New Deal need only do nothing to obliterate a large part of the New Deal.

Just as important, the last Congress provided that the emergency agencies, after this fiscal year, shall spend for administrative purposes only such sums as are specifically provided and allocated. This means that every one of these agencies must face the Appropriation Committees of both Houses and prove its case. Instead of free spending agencies, they come under discipline. This applies to various farm and home mortgage agencies; the Housing Administration; the Surplus Commodities Corporation; the Export-Import Bank; the R.F.C.; the Electric Home and Farm Authority; the Commodity Credit Corporation; Public Works; the Savings and Loan Insurance Corporation; the Reconstruction Finance Mortgage Corporation, etc., etc. Some fancy salaries have been paid by these agencies, without accountability, and putting them on a budget will save a lot of money.

Liquidation of a very substantial part of the active agencies of the New Deal could be readily achieved, a fact which does not escape the attention of New Deal leaders in assessing the importance of the election.

Week in Business

Dry Weather Continues To Disturb Outlook

But Summer Activity Continues at High Level — Recovery Reveals Many Queer Spots

Continued dry weather still dominates the business picture in Canada. Apart from British Columbia, Quebec and Maritime Provinces (which for the most part have enjoyed adequate or better than normal rainfall) the rest of Canada has had to be content with 4 to 5 inches less rainfall than is normal for the period April 1 to August 15. For most areas this means a drop of 40% to 50%.

Some localities, even in the dry belt, have fared well in spite of drought which means there will be good spots even in the areas that have suffered most. Detailed crop reports from Ontario this week confirm this, as many counties report some excellent crop returns in spite of bad weather.

These "good" areas together with the Maritimes, Quebec and most parts of British Columbia will show the best returns for many years due to the substantial increase in prices. Even during July the average price of Canadian farm products (field, not animal) was 15% above corresponding figures last year. And most price effects of drought will not make themselves felt for some weeks or months.

• • •

July Busy Month

July figures for Canadian business are not available this week due to delay at Ottawa, but present indications point to continuance of the upward movement which has featured summer business activity both here and in the United States. In both countries, weekly business indicators continue to move into new high ground.

Last week's showing of the economic index published by Dominion Bureau of Statistics indicated a 2% gain over the preceding week, with the current figure 12% above this time last year.

Analysis shows where these gains have been made. Thus compared with last year, carloadings are higher by 11¼%; wholesale prices are up 6.6%; bond prices, 12%; bank clearings, 10.3%; shares traded, 53%; common stock prices, 23.6%.

Trade and Politics

Whether this good showing will be maintained for the rest of the year depends for Canada on financial and political stability and continuance of foreign trade gains, so largely responsible for the increase in business activity that has occurred this year to date.

The clear-cut decision of Quebec voters in that province this week clears the air politically although business will be hesitant to expand until it is known to what extent the new Government will disturb existing institutions and practices. Alberta is at the moment the ace example of what political uncertainty can do to hamper business.

Recovery's Queer Spots

Some of the anomalies of present recovery period which are being experienced both in Canada and the United States are summed up this week by Col. Ayres in his Cleveland Trust review. He says:

"It now seems not improbable that within the next few months we may have in this country the curious anomaly of a statistical recovery almost to normal levels which will at the same time fall far short of being a satisfactory economic or social recovery.

"We are achieving normal levels of industrial production which are accompanied by growing numbers of local labor shortages while at the same time there is a huge continuing amount of unemployment.

"There is greatly reduced agricultural production, but only restricted advances in agricultural prices.

"Banks are overflowing with excess deposits but there is a most meagre demand for loans to finance the expansion of enterprise.

"Railroad traffic has improved somewhat but not even remotely in proportion to industrial activity.

"Housing shortages are developing in many cities but the volume of new residential building is still only about a third of what it was a dozen years ago."

Changes of the Week

Favorable

Carloadings for the week ended Aug. 8 were below corresponding totals for 1935, but after adjustment for the holiday, the index showed a sharp upturn rising to the highest point of the year.

Sugar meltings and shipments were sharply higher in the 4 weeks ended July 11. Stocks on hand are currently higher than at this time last year.

Newsprint production in July was 17% above 1935 with cumulative totals higher for the first 7 months by 16%.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA — Latest — 1936	1935	Cumulative Total — Jan. 1 to date — 1936	1935
Transportation—				
Car loadings (Aug. 8)	▲46,036	46,471	1,399,619	1,371,563
C.N.R. gross earn. (Aug. 14)	$ ▲3,256,264	$ 2,954,717	$ 107,480,573	$ 101,139,239
C.P.R. gross earn. (Aug. 14)	$ ▲2,432,000	$ 2,276,000	$ 78,415,000	$ 70,345,000
Business Conditions—				
Weekly index D.B.S. (Aug. 8)	▲112.2	100.1	......	......
MONTHLY DATA	1936	1935	1936	1935
Business Conditions—				
Financial Post index (June)	110.1	101.3	......	......
Transportation—				
C.P.R. net revenue (June)	$ 1,175,549	$ 1,403,812	$ 6,790,999	$ 6,062,018
C.N.R. net revenue (June)	$ 9,442	$ 495,685	$ 2,475,040	$ 2,167,536
Iron and Steel (June)—				
Pig iron production (tons)	56,362	44,555	340,335	259,777
Steel ingots and castings prod. (tons)	82,196	73,450	578,700	388,163
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (June)	10,089	9,698	61,687	57,036
Factory output (June)	13,126	12,276	86,364	90,390
Trucks and Buses:				
Domestic sales* (June)	2,447	2,042	13,156	11,110
Factory output (June)	3,274	3,469	19,584	20,939
Exports (June)	5,738	5,835	30,075	37,215
Construction—				
Building permits (June)	$ 4,580,740	$ 5,104,855	$ 17,500,420	$ 24,640,511
Contracts awarded (July)	$ 17,868,500	$ 18,549,240	$ 95,577,000	$ 94,143,700
Newsprint (tons)—				
Production (July)	▲274,627	234,266	1,763,890	1,519,149
Exports, tons (June)	283,588	227,215	1,360,293	1,163,548
Sugar (lb.)				
Melting & sales§ (raw)	▲98,485,337	91,171,100	401,619,890	382,273,060
Manufactured§	▲94,693,262	89,975,627	387,079,548	384,367,736
Flour (bbls.)—				
Production (June)	1,148,810	991,559	6,527,359	6,134,106
Wheat flour exports (June)	430,171	429,561	2,291,172	2,242,945
Trade—				
Retail trade (index no. of sales) (June)	74.1	70.8	......	......
Imports (June)	$ 61,795,177	46,731,689	298,080,583	260,372,393
Exports (June)	$ 79,181,200	58,504,829	423,148,144	350,032,873
Wheat exports (bush.) (June)	25,763,565	6,494,622	94,587,586	45,005,121
Employment, D.B.S. Index (July 1)—				
All industries	104.6	99.5	......	......
Manufacturing	104.7	98.5	......	......
Electric Power Output (June)—				
Total monthly (000's omitted)	2,028,695	1,816,250	12,440,079	11,380,094
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (June)	169,550	129,800	654,585	587,165
Boot & shoe prod., pr. (June)	1,721,182	1,756,304	11,042,084	10,664,240
Crude petrol. imp. gal. (June)	153,620,000	131,870,000	477,449,524	460,619,567
Cotton imports, lb. (June)	7,415,651	7,397,290	69,618,556	51,051,879
Raw rubber imp., lb. (June)	4,574,180	3,215,286	24,611,428	29,939,867
Coal imports, tons (June)	1,683,704	1,506,196	5,029,280	5,143,675
Finance—				
Bank debits (June)†	$ 3,135,569	$ 2,710,310	$ 17,246,852	$ 15,216,135
Bond sales (June)	$ 188,046,200	$ 63,372,285	$ 736,339,096	$ 271,824,441
Life insurance sales (June)	$ 32,277,000	$ 32,112,000	$ 187,760,000	$ 181,555,000
Automobile Financing (June)—				
Used cars (June)	$ 3,389,507	$ 2,286,465	$ 13,549,375	$ 9,472,973
New cars (June)	$ 3,954,222	$ 2,669,173	$ 17,357,147	$ 13,132,586

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to July 11.

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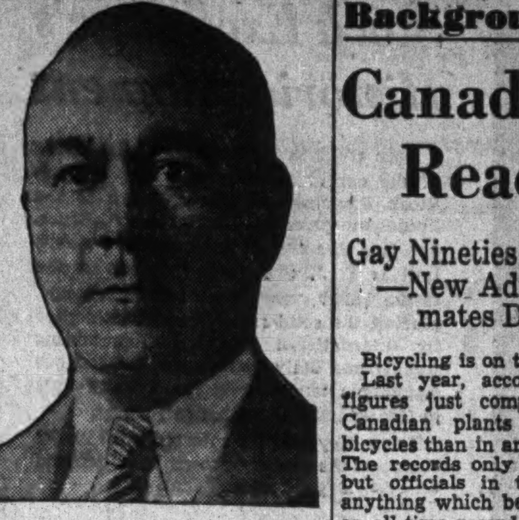

ELECTED MEMBER

Brig.-Gen. G. Eric McCuaig, senior partner of the Montreal brokerage firm of McCuaig Bros. & Co., who has been elected a member of the Montreal Curb Market. General McCuaig is widely known in financial, military and university circles.

Beamish Buys Sugar Plant, Forms Firm

Payment of $117,321 Will Go to Crosse and Blackwell Creditors

FACING PAY CLAIM

The Toronto sugar refining plant, operating for the benefit of the unsecured creditors of Crosse and Blackwell Ltd. has been purchased by B. D. Beamish, supervisor of the refinery and associates for $117,321. The new company will be known as the Beamish Sugar Refining Co. Ltd.

Its purchase will be responsible for the payment to unsecured creditors of 19c. and to holders of mechanics' liens of 50c. on the dollar.

To Operate by September

While the final papers closing the purchase from the unsecured creditors have not yet been signed, it is anticipated everything will be concluded and the sugar refinery operating under the new concern by the middle of September.

The only fly in the ointment from the standpoint of the unsecured creditors is a claim advanced by J. D. McNabb who was president and active head of Crosse & Blackwell (Canada) Ltd. until November, 1934, when the bank declined further credit. His claim is for $45,000 to $50,000 allegedly due him on a salary contract which was to extend over a period of years. Whether or not Mr. McNabb will push his claim remains to be seen. The Department of National Revenue had a claim of some $63,000 for sales and excise taxes and this is being settled for $15,000.

Mr Beamish announces the operating personnel of his company will be the same as at present. It includes A. H. McCulloch as his assistant, H. E. Ellison, formerly with the Dominion Sugar Co., Chatham, Ont., G. W. Hatfield, at one time with the Atlantic Sugar Co., Saint John, N.B., as chemist. Mr. Beamish himself is a Bachelor of Commerce graduate and prior to joining Crosse & Blackwell in 1934 was associated with the corporation executive department of the Bank of Commerce.

Operations are to continue in the same premises, although an additional building may be erected later.

Price Changes

Just how the new concern will affect the old-established sugar refining companies remains to be seen. A year or more ago the Eastern refiners announced certain reductions in Ontario which brought the sugar price at Toronto to the same basis as Montreal regardless of the freight and cartage differential. A month or so ago the differential was replaced and now sugar in the Toronto market is 20c. higher than Montreal. It was generally understood at the time this change was made the Crosse & Blackwell refinery output had been sold a few months in advance on the old basis.

Stauntons Ltd. Factory To Cost About $350,000

Stauntons Ltd., manufacturers of wallpapers, will build a new factory and office building at Leaside, near Toronto, at a cost of about $350,000.

Tenders have been asked for a 2-story brick and reinforced concrete building with a frontage of 100 ft. and a depth of 500 feet. Mather and Haldendy are the architects. No decision has been made regarding disposition of the company's present plant in Toronto.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$5.85	$5.75	$7.15
Hogs	10.15	9.90	10.90
Copper, lb.	.09¾	.09¾	.08
Cotton, lb.	.1236	.1263	.1180
Rubber, lb.	.1631	.1634	.1188
Sugar, raw, lb.	.0370	.0365	.0318
Silk, lb.	1.76	1.75	1.84
Wheat (Man.) bus.	1.04⅛	1.03	.80⅝
Coffee, lb.	.08½	.08½	.08½
Hides	.11	.11	.10

Weekly Indices

N. Y. Annalist	127.7	127.9	127.1
Fishers'	84.3	83.7	83.1
N. Y. Journal of Comm.	82.8	82.3	80.2
Crumps (Brit.)	70.2	70.0	64.8
U. S. Labor	81.1	80.3	80.1
Canada (D.B.S.)	76.3	75.4	71.8

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (July)	80.5	80.2	78.8
W'sale (July)	74.4	72.3	71.3
U. S. Labor (June)	79.2	78.6	79.8
Gt. Brit. (June)	81.1	80.5	77.5

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; Sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft.-W.-Pt. A. basis; hides—No. 1 packer light native cows, New York; hogs—select bacons, Toronto.

Background of Business

Canada's Bicycle Output Reaches Record High

Gay Nineties and Post-war Peak Exceeded Last Year —New Advance Expected for 1936—Fruit Estimates Down in B.C.—Salmon Pack Higher

Bicycling is on the up and up.

Last year, according to official figures just compiled at Ottawa, Canadian plants produced more bicycles than in any year on record. The records only go back to 1920, but officials in the industry say anything which beats 1920 must be an all-time record. So that's that.

Total Canadian production was 37,248 machines in 1935, of which 101 machines were exported. Imports added another 9,469 making theoretical consumption for the year 46,616. This is a jump of no less than 136% over the low point of 1932. Comparison of production figures shows a corresponding gain, the 1935 total being up 14% over the previous year and 125% better than 1932.

Another interesting feature of bicycle building is that selling prices at the factory are shown as the lowest on record. The average price of Canadian-built machines in 1935 is given as $20 compared with $28 in 1929 and $32 in 1928. Back in 1920, corresponding figure was $42.50 for each machine.

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Hundredth Anniversary

Incidentally it is just 100 years since the anniversary of the invention of the pedal bicycle. Old cycling enthusiasts are making plans to have 1936 go down as a banner year for cycling on this account.

Production so far this year is said to be well ahead of corresponding figures last year and actual sales, it is thought, may be from 15 to 20% larger than in 1935.

Other interesting facts about the industry are that the 4 plants are all located in Ontario, with 3 in Toronto and one at Weston. To make 37,000 bicycles and other allied products such as skates, scooters, wagons, etc., 346 people were employed compared with 590 back in 1929. Selling value of products at works that year, however, was almost double the value for last year. Salaries and wages paid in the industry totalled $347,000 and capital employed was just over $2 millions. Cost of materials at works was $617,000 and selling value $1.27 million.

Production in the industry is usually "staggered" throughout the year to eliminate too many ups and downs and maintain steady employment. Thus manufacturers usually anticipate next year's sales by producing steadily throughout the last 4 months of the year.

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B. C. Fruit Estimates

The B. C. fruit crop for 1936 will be materially lower than a year ago for major items of produce, according to preliminary estimates.

The following table shows the picture as it looks at present. Among apples, the only variety to record an increase are yellow Newtons. Preliminary value estimates for the strawberry crop was shown at $350,000 compared with $500,000 last year.

		1936	1935
Raspberries	crates	102,000	154,000
Apples	boxes	4,041,200	5,156,440
Pears	boxes	224,000	270,000
Cherries	crates	149,000	162,000
Plums & prunes	crates	228,000	438,000
Peaches	crates	115,000	134,000
Apricots	crates	8,000	100,000
Strawberries	crates	229,000	620,650

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Salmon Pack Up 20%

There has been a good increase in salmon pack for every type except sockeye, according to figures issued recently.

As at Aug. 1, 1936, total pack was placed at 516,000 cases, a gain of 20% over last year. Comparative figures for different species follow:

Comparison of salmon pack by species:

		Aug. 1, 1936	Aug. 3, 1935
Sockeye	cases	227,452	252,417
Springs	cases	14,746	8,181
Steel heads	cases	391	297
Blue backs	cases	26,719	11,661
Cohoe	cases	56,004	35,920
Pinks	cases	150,823	96,098
Chums	cases	40,111	25,773
Totals		516,246	430,347

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Cheaper Alarms

The trade price of Big Ben loud alarm clocks has been considerably reduced by the manufacturers, but the dealer's resale price to the consumer will remain without change until October 10, says Hardware and Metal. Fall prices on automobile heaters are now in effect and show some adjustments from last year.

Dealers indicate that their sale of summer sporting goods was quite heavy during the past 2 months, and included a wide selection of merchandise. Tourist and camping supplies have also sold well during the summer, and the demand is being well maintained yet. Hardwaremen are annually securing a larger share of the sporting goods business, and their stocks are becoming more varied in this line.

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Unpaid Accounts

The longer it takes to collect money for goods, the less you get. That is the conclusion of a recent survey by the American Credit Indemnity Co. of New York.

In introducing the figures, the firm said: "The table below summarizes the findings of the credit executive of one of the largest institutions in the world, after a test covering hundreds of thousands of accounts. We believe these figures to be sound. Our own experience indicates they are even conservative."

An account past due	Diminishes	And is then worth only
90 days	10%	90c on the dollar
4 mos.	15%	85c on the dollar
5 mos.	25%	75c on the dollar
6 mos	50%	50c on the dollar
1 yr.	70%	30c on the dollar
2 yrs.	80%	20c on the dollar
3 yrs.	90%	10c on the dollar
5 yrs.	100%	00c on the dollar

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Furniture Veneer

A new method of applying veneer to irregular surfaces reported by Business Week as revolutionary, is now available for the furniture industry.

The pieces are put into a rubber bag from which air is excluded. It is claimed the sheets bend to desired shape and adhere perfectly under atmospheric pressure. There is a great saving in time and in the preparation of expensive forms. The process is of Austrian origin and is being promoted in United States by the Merritt Engineering and Sales Corporation, Lockport, N.Y. and by I. F. Loucks, R.M.C., Seattle, Washington.

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Small Cars in France

French automobile manufacturers are greatly interested in possibilities of a new small 5 h.p. car. Fiat has recently put on the market such a model which travels 90 kilometres per hour and used only 3½ litres per 100 kilometres on a Paris-Madrid run. The car has attracted wide interest, but so far not many have been on the road.

It is stated, however, that every important manufacturing firm in France has the plans ready for a 5 h.p. car, awaiting the result of the Fiat experience.

Loblaw Profits Increase 19.7%

Latest Report Shows Sharp Rise in Sales

Acceleration of the rate of increase of sales and profits of Loblaw Groceterias Ltd. was evident in the 4-week period ended July 25. Sales for the period were up 19.7% and profits, 40.6% from the corresponding 4 weeks of 1935.

Comparative sales and profits figures follow:

	1936 $	1935 $	Incr. %
Four weeks to July 25:			
Sales	1,276,588	1,065,642	19.7
Profits	43,638	31,015	40.6
Eight weeks to July 25:			
Sales	2,548,732	2,246,441	13.4
Profits	96,967	80,993	19.7

A COMPARATIVE ANALYSIS OF CANADIAN INDUSTRIAL STOCKS

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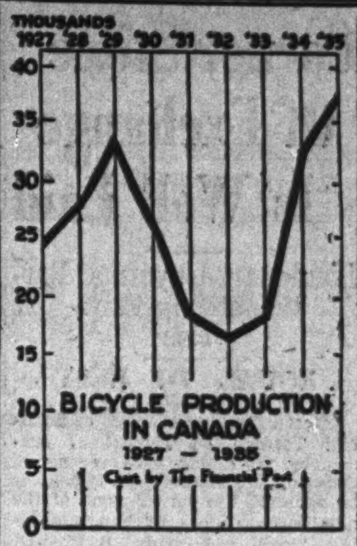

BICYCLE BOOM

Production of bicycles in Canada touched a new record mark in 1935, even exceeding output in 1929 and 1920, which were previous peaks.

And demand is still growing, with sales during 1936 (to date) estimated 15% to 20% above corresponding figures last year.

New Industries

Norton Co., Chippewa, Ont., is increasing facilities at its aluminum plant by construction of a one-story addition.

Canadian Leaf Tobacco Co. expects to complete construction of a new plant unit at Chatham within the next month. It will be used for grading and tying of tobacco.

Schultz Die Casting Co. of Canada is planning a large extension to its plant at Wallaceburg, Ont.

Ray-Knit Manufacturing Co. Ltd. has taken a long-term lease on 16,000 sq. feet of floor space in the Otto Higel building, Toronto.

Hunt's Limited is adding a further story to its restaurant property on Bay Street, Toronto, at a cost of about $15,000.

Canada Packers Limited is remodelling 2 abattoirs in Toronto, to be used for soap manufacturing. The alterations will involve an expenditure of about $10,000.

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No. 6400, the largest streamlined steam locomotive in the world. Tons of Algoma steel were used in its construction. Overall length of this new steam monster is 94 feet, 7¼ inches. It will attain a speed of over 100 miles per hour.

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Corner Stone Of Exchange Is Well Laid

Lieutenant-Governor Participates in Function

EQUAL TO BEST

Cheering representatives of financial Toronto on August 17 surrounded the Lieutenant-Governor of Ontario, Dr. Herbert A. Bruce, as he declared the corner stone of the new Toronto Stock Exchange building "well and truly laid" and wielded the trowel on that stone with all the finesse one would expect from a master of the scalpel.

All that had been taken out of the corner stone of the former Toronto Stock Exchange building which had been built nearly a quarter of a century ago was put back into the new corner stone, and many new documents, including 2 Financial Posts, one describing the merger of the old Toronto Stock Exchange and the Standard Stock & Mining Exchange and one giving full particulars of the new building and of the issues involved in its erection.

Symbolic of Business

The president of the exchange, H. B. Housser, declared in the opening address that the Exchange will have physical and mechanical equipment equal to, if not superseding, any other in the world. The previous building had been erected to house the activities of only a specialized portion of the country's securities whereas the ceremony at the opening of the new exchange building "symbolizes every phase of Canadian business."

G. W. Nicholson, as a former president of the Standard Stock & Mining Exchange and a later president of the merged exchanges, stated that ever since the merger a spirit of fair compromise has been the ruling principle. The building stands as a monument to the compatibility and thoughtfulness of the committees.

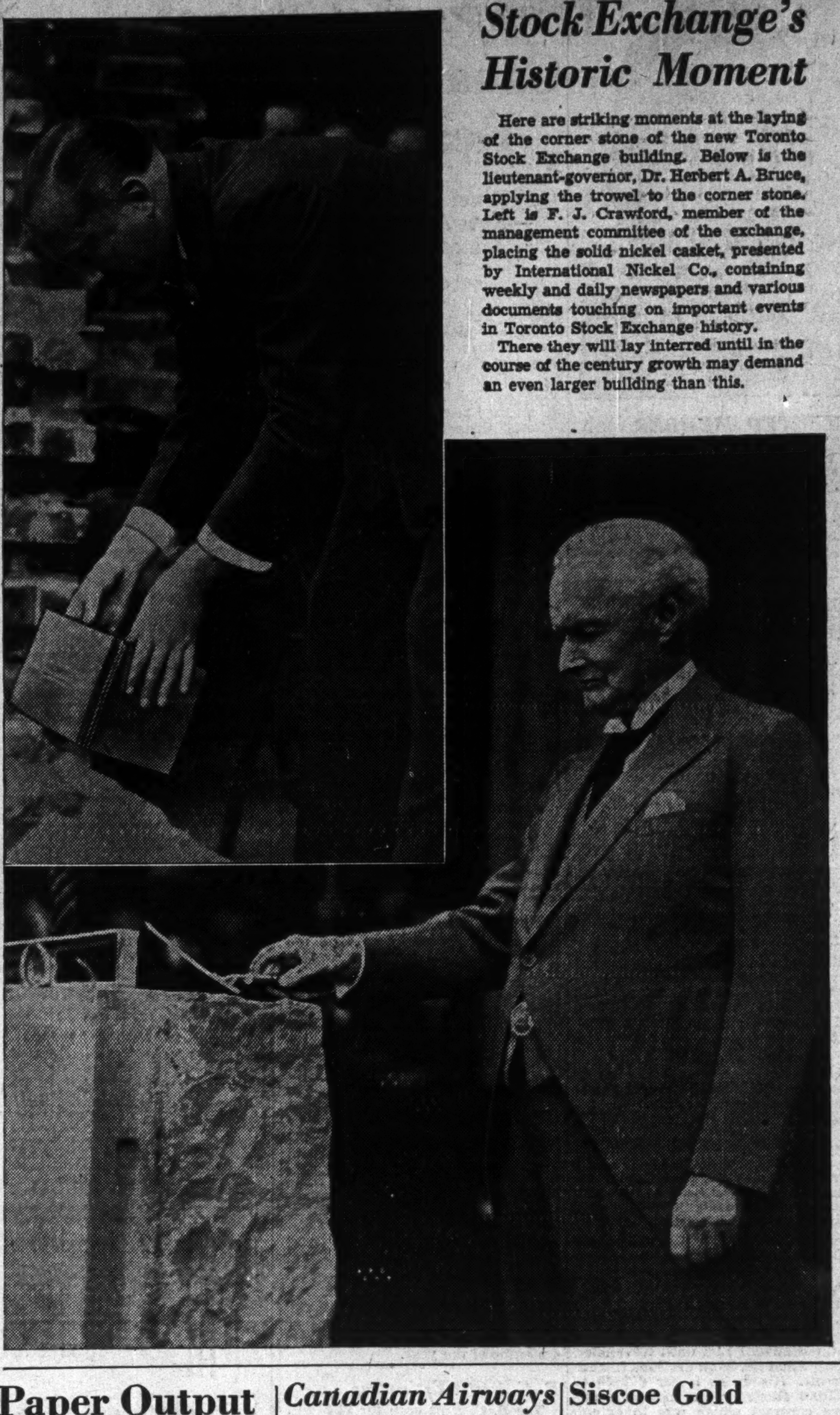
The lieutenant-governor's address turned on his belief that the Exchange was building more than a market place. He felt it was creating "an instrument indispensable to the continued progress and expansion of Canadian industry and to the welfare of Canadian citizens." Its listings comprise 80% of all corporate securities of Canada, exceed $5 billions in market value and shares sold in the last 12 months total more than 300 million. He concluded by describing the lasting impression made on him by a recent trip to the mining regions of Canada.

"Nickel" Makes Casket

F. G. Lawson, secretary and member of the building committee, later gave interesting data as to the number of workmen employed on the building and materials used. His description of the unique equipment to be used is substantially the same as shown in an interview with him in last week's issue of The Financial Post.

Much interest was displayed in the large solid nickel casket made and presented by International Nickel Co. to house the documents to be placed in the corner stone of the new building. In addition to the 2 copies of The Financial Post which described the merger back in 1934 and which last week described the new building, the following documents were placed in the casket and later went into the interior of the corner stone: Toronto daily newspapers, Northern Miner, Financial Times, various publications of Exchange itself including ticker tape announcing important events like the merger of 1934, list of members, by-laws, photostatic copy of minutes of first meeting of the Exchange back in 1852 and similar information which had been put in the corner stone of the previous building back in 1912.

Representing the city of Toronto were Acting Mayor W. D. Robbins, Controllers Ralph Day and George Ramsden. All the officers and members of the managing committee of the Exchange were present and particularly the members of the building committee: F. G. Lawson, secretary of the Exchange and partner of Moss, Lawson & Co.; Hon. Manning Doherty, treasurer of the Exchange and partner of Doherty, Roadhouse & Co.; Norman C. Urquhart, vice-president of the Exchange; R. B. Duggan of Duncanson, White & Co., and G. W. Nicholson, former president. H. B. Housser, president, and A. J. Trebilcock, secretary, are ex-officio members of this as well as of all other committees.



Stock Exchange's Historic Moment

Here are striking moments at the laying of the corner stone of the new Toronto Stock Exchange building. Below is the lieutenant-governor, Dr. Herbert A. Bruce, applying the trowel to the corner stone. Left is F. J. Crawford, member of the management committee of the exchange, placing the solid nickel casket, presented by International Nickel Co., containing weekly and daily newspapers and various documents touching on important events in Toronto Stock Exchange history.

There they will lay interred until in the course of the century growth may demand an even larger building than this.

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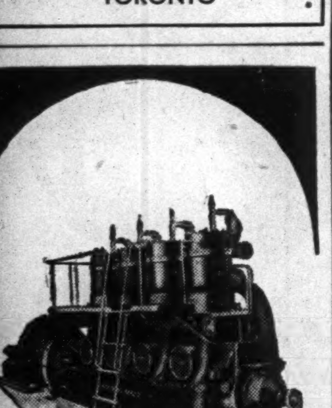

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Inco Boost To be Ready In November

Stanley Sees Last Shot Fired in Creighton Deepening

From Our Own Correspondent

SUDBURY.—The enlarged mining and reduction facilities of The International Nickel Co. at Creighton Mine and Copper Cliff will be ready for operation some time in November, the construction programme being well ahead of schedule, Robert C. Stanley, president, stated on completion of a tour of inspection last week. Inco's chief executive expressed keen pleasure at the progress which had been made and with the satisfactory state of operations in general.

The completion of the expansion programme will give nickel a boost of approximately 40% in capacity, but the extent to which the new facilities will be utilized at the outset will, of course, depend upon the demand for the company's products, Mr. Stanley said.

Last Shot Fired

The last shot was fired while Mr. Stanley was here, which completed the new No. 5 vertical shaft at Creighton Mine to the 4,075-ft. horizon. The shaft was started in January 1935, so that it has required a little more than 19 months to complete, at a rate of over 200 ft. per month. Some conception of the big task may be had when it is known that the shaft is 30 feet by 18 feet 6 inches outside the timbers, and of 6 separate compartments.

The next chapter will be the opening of additional levels, from the 42nd to the 52nd, to mine the lower depths of the Creighton. Existing shafts are inclined, and the lowest workings are at 2,625 ft. The capacity of the new shaft will be 4,000 tons per day, drawn at the rate of 250 tons per hour for 16 hours, and will double the hoisting capacity of the mine. The cages will be 6 ft. by 12 ft. in size, suitable for hoisting and lowering 60 men at a trip. The hoisting equipment now being installed is the largest installation of its kind ever manufactured in Canada. The Creighton development will be brought into play, it is expected, to provide extra tonnage desired when the new smelter is blown in next November.

Millions For Expansion

The plant expansion, besides a new $250,000 change house for smelter and mill employees, now in use, consists of the $6 million smelter, which will handle copper concentrates exclusively, and enlargement of the concentrator and change in equipment costing $1 million, raising the capacity from 8,000 to 12,000 tons. The Creighton mine shaft and development is costing around $2.7 millions.

No changes are being effected at the Frood Mine at the present time, but an underground shaft from the 2,400-ft. level was recently completed. No expansion, either, is currently planned at the Ontario Refining Co., wholly-owned subsidiary of International Nickel. Recently electric furnaces have been added and some minor alterations made. A special car to transport molten metal to the refinery has arrived at Copper Cliff, and after certain alterations are made to it, the car will assist in bringing up copper refinery capacity.

Canadian Inter. Paper Starts Paper Boat Service

From Our Own Correspondent

MONTREAL.—Canadian International Paper Co. has joined the list of newsprint manufacturers owning and operating their own boats for the transportation of newsprint to the American market.

A new vessel "International I" built by George T. Davie & Sons, Lauzon, P.Q., has been put into service. This boat will carry about 235 tons of paper on each trip between the Gatineau and Three Rivers mills of the company, to newspapers in New York state, particularly Albany and New City. It will travel by the Ottawa, St. Lawrence and Richelieu Rivers, Lake Champlain, New York State canals and the Hudson River.

Enterprise Foundry Co. Ltd., Sackville, N.S. has installed new facilities for research and development in connection with lines of cooking and heating equipment.

B. C. Telephone Offer To Expire August 26

Conversion offer of British Columbia Telephone Co. to exchange new 4½% bonds for the present 5% series A bonds will be terminated at the close of business on Wednesday, August 26, according to an official announcement.

The bonds are being exchanged on the basis of a price of 105 and accrued interest for the 4½% series B bonds and 108½ and accrued interest for the 5% series A bonds.

In an announcement made by W. C. Pitfield & Co., managers of the syndicate which underwrote the issue, it is stated the financing has been unusually successful, the amount of bonds exchanged having exceeded expectations. The reception accorded the offer by institutional holders in Canada was exceptional since practically all the 5% bonds held by them were converted into the new issue.

Public Utility Earnings

Southern Canada Power

July:	1936 $	1935 $	Increase $
Gross earn. ..	175,563	171,014	4,549
Oper. exp. ...	77,583	72,042	5,541
Net earn.	97,980	98,972	*992
10 Months:			
Gross earn. ..	1,785,706	1,770,448	15,258
Oper. exp. ...	740,031	710,610	29,421
Net earn.	1,045,675	1,059,838	*14,163

*Decrease.

Mexican Light & Power

June	1936 $	1935 $	Increase $
Gross earn. .	655,718	645,470	10,248
Oper. exp. ..	489,446	472,014	17,432
Net earn. ...	166,272	173,456	*7,184
Six months			
Gross earn. .	4,005,863	3,797,702	208,161
Net earn. ...	1,224,012	1,079,023	144,989

*Decrease.

Paper Output Jumps in July

Canadian Mills Set New Newsprint Record — Sales Move Up

From Our Own Correspondent

MONTREAL. — Canadian newsprint mills set another record for production during July, with output of 274,627 tons and shipments of 271,794 tons. This contrasts with production of 234,266 tons and shipments of 226,445 tons in the same month a year ago, according to figures compiled by the Newsprint Service Bureau.

July production in the United States was 73,351 tons and shipments 74,535 tons, or roughly the same as reported a year ago.

The Newfoundland mills turned out 29,246 tons in last July, a slight decline from that reported in 1935.

The total North American production for the month amounted to 377,234 tons, as against 338,819 tons a year ago.

Canadian Mills Gain

Canadian mills produced 243,694 tons more in the first 7 months of 1936 than in the first 7 months of 1935, an increase of 16%.

The output in the United States this year to date has been practically the same as in 1935; in Newfoundland production was 10,090 tons, or 5.2% less, and in Mexico 11,598 tons less than in 1935; making a net increase of 222,760 tons, or 9.9%.

Stocks of newsprint paper continue to increase. Canadian mills reported 75,430 tons at the end of July, as against 65,705 tons a year ago. At United States mills stocks on hand totalled 19,857 tons, a gain of over 1,000 tons from that reported at the end of July, 1935. Combined stocks at Canadian and American mills totalled 95,287 tons, compared with 84,426 tons last year.

Perron Gold Doubling Mill

From Our Own Correspondent

MONTREAL.—Directors of Perron Gold Mines have made arrangements to double the capacity of the present plant. From the experience gained in the operation of the initial plant it is expected a daily milling rate of 350 tons will be attained.

The information now available from stoping operations in the mine during the past 6 months indicates that the ore bodies have greater widths and lengths than shown in the drifts and crosscuts. Numerous stopes in the mine disclose widths from 8 to 12 feet. It is estimated the ore position can be revised upward to 300,000 tons, about half of which is definitely proved and the rest reasonably assured by drilling in advance of known ore bodies.

Canadian Industries Ltd. Cuts Price on Explosives

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. announces a reduction of 25 cents per 100 pounds in the price of all types of high explosives, effective August 15. With this reduction, the price of explosives in Canada is lower than at any time during the past quarter century.

Canadian Airways Reports Gains

Substantial increases in all phases of operation during the first 6 months of 1936 are reported by Canadian Airways Ltd. Mileage flown increased almost 12% while number of passengers carried rose almost 20%.

Comparative figures for the company's operations (which include Quebec Airways Ltd.) follow:

Canadian Airways Ltd.
(January-June incl.)

	1936	1935
Hours flown	9,537	8,582
Miles flown	900,211	806,870
Express carried (lb.)..	2,615,011	2,453,691
Mail carried (lb.)	459,344	401,836
Passengers carried ...	8,310	6,976

Truck Sales Up 8 Per Cent

But July Sales Lower Than 1935 in Ontario and Quebec

Dodge, Reo, White and Mack alone showed gains in July for new commercial car sales in Ontario and Quebec according to registration figures supplied to Canadian Automotive Trade. Total sales for all makes were 971 compared with 1,008 the corresponding month last year.

Total truck registration to date in these 2 provinces for the first 7 months of the year have been higher by 8%. The 1936 figure is 8,352.

Comparative figures for truck sales in July and for the year to date follow:

New Commercial Car Registrations
(Ontaria and Quebec)

	July, 1936	July, 1935	Year to date 1936	Year to date 1935
Chevrolet	257	337	2,431	2,242
Ford	260	335	2,447	2,835
Dodge	107	74	948	696
International..	93	110	855	814
Fargo	70	...	424	...
G. M. C.	46	56	436	443
Reo	22	20	128	163
White	28	15	146	92
Diamond T. ..	21	23	194	177
Mack	9	...	40	14

Ont. Tobacco Plantations Buying Preference Stock

Purchase of its preference shares, par value $100, is being made by Ontario Tobacco Plantations Ltd., Simcoe, for cancellation.

Under date of July 17, 1936, a letter was sent to all preference shareholders offering to purchase preference stock at $45 a share. This offer expired August 1, 1936. As the amount of stock submitted under this offer did not absorb all the funds available for this purpose, an offer is now being made to purchase the preference stock at $55 a share, up to the limits of the funds available for this purpose. This offer expires August 27.

New Equitable Shares Listed at Toronto

Application to list the common shares of the Equitable Life Insurance Co. of Canada on the Toronto Stock Exchange has been granted. The listing covers 67,416 shares of $25 par value ($5 per share paid in) and the stock was called for trading August 21.

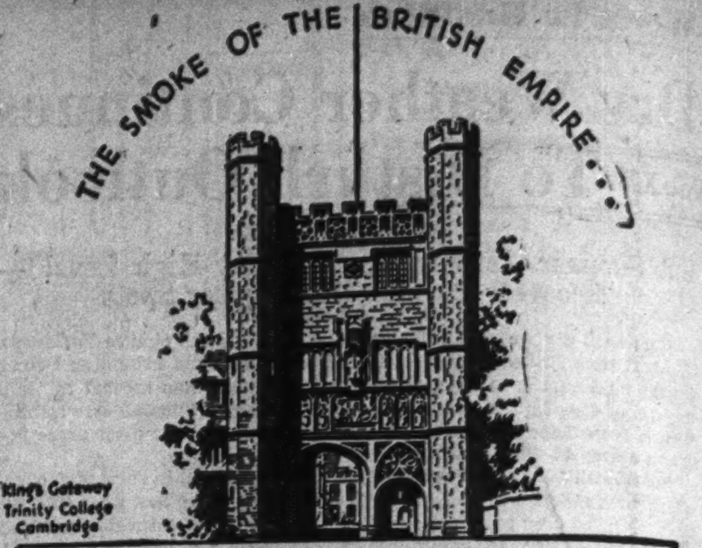
Siscoe Gold Plans Expansion

Will Spend $225,000 in Next Few Months

From Our Own Correspondent

MONTREAL.—Siscoe Gold Mines have adopted a development programme for the balance of the year calling for an expenditure of $225,000.

The programme calls for extensive diamond drilling, additions to the plant and some new buildings. The company also proposes to increase production by 100 tons.



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GOLD FLAKE
Cigarettes
CORK TIP OR PLAIN

A SHILLING IN LONDON ... A QUARTER HERE

POCKET TIN OF FIFTY • 55 CENTS

Car Sales Up For Ontario

12% Gain Shown in July Registrations — Quebec Sales Lower

New passenger car sales in Ontario jumped 12% in July, according to registration figures supplied to Canadian Automotive Trade. Total new passenger car registrations in Ontario and Quebec were up 6%, sales in Quebec being lower than in the same month last year. July total for both provinces is 5,499 of which Ontario contributed 4,326.

Cumulative totals for first 7 months for sales in the 2 provinces was 46,749 cars—a gain of 9% over the same figures last year.

Comparative figures for 10 leading makes follow:

New Passenger Car Registrations*
(Ontaria and Quebec)

	July, 1936	July, 1935	Year to date 1936	Year to date 1935
Chevrolet	1,560	1,275	12,172	9,145
Ford	1,246	1,271	10,281	12,552
Dodge	646	460	5,555	4,367
Plymouth	596	561	5,150	4,608
Oldsmobile ...	301	466	2,863	3,285
Pontiac	211	305	1,575	2,586
Terraplane ...	142	148	1,295	1,219
Buick	160	84	1,894	636
Chrysler	145	119	1,502	1,206
Studebaker ..	73	72	769	658

*Figures supplied to Canadian Automotive Trade by Might Directories.

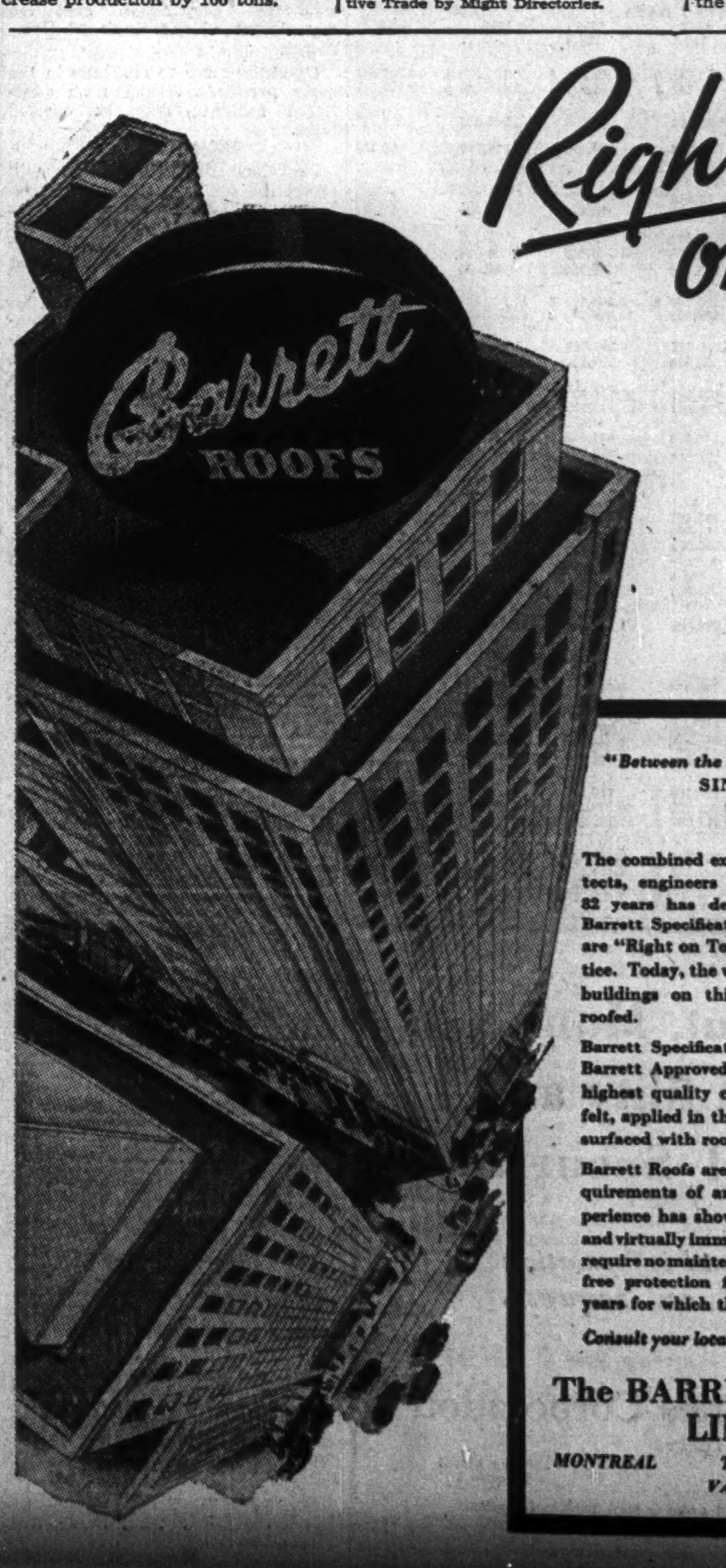
Bondholders Approve Sale Crescent Road Apartments

Holders of the 7% first mortgage bonds of Crescent Road Apartments, Toronto, have approved the sale of their property to a new company known as Ramsden Park Apartments Ltd.

Under the terms of the sale as approved, no cut is to be made in principal amount of $157,000 of 7% first mortgage bonds outstanding, but these are to be exchanged for new first mortgage income bonds, carrying non-cumulative 5% interest payable out of net operating revenue only, if, when and to the extent earned. In addition 1,570 common shares, no par value, are to be issued at 10 cents a share and allotted pro rata to the holders of the first mortgage bonds.

With the exception of $2,000, which is to be used by the new company as working capital, all cash in the hands of the receiver and manager is to be applied in payment of fees of the National Trust Co. as trustee for the first and second mortgages of Crescent Road Apartments, the cost of incorporation and organization of the purchaser, the liabilities of the receiver and manager, and the expenses of the bondholders' protective committee to the extent of $400. The sum of $1,500 is also to be paid to the National Trust Co. as trustee for the second mortgage bonds.

Right on Top



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MONTREAL TORONTO WINNIPEG VANCOUVER

THE FINANCIAL POST

SECOND SECTION

Vol. XXX | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, AUGUST 22, 1936 | 10c a Copy; $5.00 a Year | No. 34

Quints Bring Prosperity to Northern Ontario

Relief Costs Fade Over Large Area of Province in the Wake of Hundreds of Thousands of Tourists Who Flock to Callander

By WELLINGTON JEFFERS

CALLANDER, Ont. — Little Red Riding Hood and her grandmother are at long last avenged.

The Dionne quintuplets of Callander have chased the wolf right out of the region from Orillia to North Bay, and more especially from the territory between Huntsville and North Bay.

Former relief recipients in these districts no longer hear the ferocious animal sniffing outside their doors and they can chant if they will to their heart's content, "Who's afraid of the big bad wolf?" And David Croll's Department of Public Welfare in Toronto no longer hears demands from the widening kingdom of the quintuplets for silver bullets with which to fight unemployment.

And the joke of this true story that beats all the old fairy tales is that where all the elder statesmen sought in vain for ways to lift the depression, Oliva and Elzire Dionne found a solution in their little frame house on a bush farm near Callander without even thinking of the problem at all.

Make Money Themselves

The quintuplets charge not a cent to the hundreds of thousands of people who come to Ontario to see them. And it is therefore gratifying to know that they are doing exceedingly well from subsidiary sources of income. In fact, their business for the last 12 months has flourished like the green bay tree.

Whereas their liquid assets in the spring of 1935 could not have much exceeded $10,000, it was up to $60,000 by the end of August, 1935, when The Financial Post representative visited the scene of their birth and activities.

But this year, when he visited them, the actual net liquid assets must have got somewhere near $400,000, because Hon. David Croll states that the net worth of the quintuplets is now half a million dollars. Deduct something less than $100,000 for the value of the fixed assets in hospitals, playroom, nurses' quarters and facilities provided for the general public, and it can be seen that under the guardianship of Dr. A. R. Dafoe, Judge J. A. Valin, of North Bay, and the father, Oliva Dionne, and under the supervision of the Ontario Government, the quintuplets have fared famously.

All Rooms Taken

The quints have been manna from heaven to the people of the north country. From Huntsville to North Bay, night after night and day after day it has been difficult to find accommodation. All rooms offering have been taken up. New places are being opened daily.

Many thousands of tourists take 2 or 3 days to make their trip. They stop for the night at various places from Toronto to North Bay. In Orillia, recently, citizens addressed anxious enquiries to Hon. David Croll lest some time or other the quintuplets should be moved from Callander. Even as far south as that they have found their pockets bulging with tourist money.

One merchant in North Bay told The Financial Post that the tourists attracted by the quints meant the difference between something verging on bankruptcy and good times in North Bay. The relief situation has been practically banished from this area. Talk of relief is no longer heard there. They would take up arms to prevent the quints being moved.

Visitors Double in 1936

Two hundred thousand people visited the quintuplets in 1935, and the cars came from all parts of this continent. This year it is claimed 400,000 people at least will see the quintuplets. The great crowds that came to Callander in July are surpassed in August.

In June, 50,000 people went through the turnstile that admits to the galleries going around the playroom of the quintuplets.

In July there were at least 135,000. This calculation makes an allowance for repeats. In July, 30,000 cars, or 1,000 cars a day, came into Callander to see the quintuplets. Counting 4½ people to the car, that means 135,000 in July. As a matter of actual counting, the writer saw many cars with as many as 7, 8 or 9 persons.

How much gasoline and food will 400,000 people consume? How much will they pay for a night's refuge, for a chance to fish? There have been excursion steamers and excursion trains going repeatedly to this area. Buses have been ignored in this computation, and yet the buses carry capacity loads to Callander. At least $2.5 millions in gasoline alone is one estimate.

Algonquin Park has had 4 times as many people this year as it had last year. Officials know the part the quints have had in this and have run excursion trains so that holidayers can go to see the quints. The same thing is true in other areas.

A plaint has come from some of the older playgrounds farther south and east to the effect that many tourists have been deflected to Callander and points farther north. On the other hand, cars from as far apart as California and Florida, after seeing the quints, strike out in varied directions to see what is to be seen in other parts of Ontario. The complainers do not realize that more than half the people who have come across the border to see the quints would not have been here if it had not been for the quints.

No Financial Details

The Financial Post asked Hon. David Croll for a financial statement covering the operations of the quintuplets' trust, or at least details as to contracts, the money made by each and the total at the disposal of the quintuplets. The minister believes this information is not in the public interest to give. After all, it is the quintuplets' business and not the government's, he contends. The government looks after them and tries to see that they are well treated, and has an understanding eye out on the fact that they are proving an excellent attraction for Ontario. But financial details—no! That is the quintuplets' business.

Enough is known to show that the financial story is an engrossing one. Last year when the film of "The Country Doctor" was made, a lump sum of $50,000 was given to the quintuplets. The movie company took all the risk and current talk is that it cleaned up half a million dollars on this one film.

Making Movie Star Money

It appears now that the quintuplets are going to make the greater part of their fortune as movie stars. Norman Taurog is up getting acquainted with the quintuplets now in consequence of his long-term contract with Darryl-Zanuck's Fox-20th Century film. The newspapers have already announced that a cash payment of $225,000 was involved in this contract and the film company will have rights under it only for 1936 and 1937.

Money keeps coming in month by month from the news reels. This feature has proved very popular and is a consistent money-maker for the babies. If the new film—to be called "Reunion"—proves a still greater success than "The Country Doctor," as expected, one can see a long succession of these films coming in year by year.

At this rate, another year or so should find them rated as a quintuplet millionaire group. If they continue well and happy and progress as they have been doing, it will be a very few years more before each one will be a millionairessette in her own right.

If they continue well and happy and healthy and growing in intelligence and ability until they are adults, it can be seen that they may come into their majority with an immense fortune. They might even eventually come jointly and severally to possess 1 or 5 of the greatest fortunes in Canada, and to have built it or them up by increasing happiness in the world, by continuing to attract tourists and by unfolding new charms from year to year in the various films which are shown.

Grow Up Ugly?

And they probably will. A woman rifle shot, who has hit all sorts of targets at the rifle ranges in the recent competition, says the quints are a fine show now but that they will grow up ugly. If they do grow up ugly but remain unspoiled, it is safe to say 99,999 people out of 100,000 will not know it. The lady prophet is in the habit of making bull's-eyes, but in this case time may show she has missed the target altogether.

The show they give in Callander twice a day is a free one. The tourists from every part of Canada and the United States pay money for gasoline, for food and for rooms in hotels or tourists' houses or camps, but they pay nothing to the quintuplets.

The quintuplets make their money by various contracts. Besides the movie contract already mentioned, and besides the various rights sold for taking photographs and distributing them all over the world, they get money from the companies whose products feed, clothe, clean, instruct and amuse the quints.

Truth in Advertising

As their wants and needs increase, it can be seen that there will be room for contracts with a large number of companies. In a year the number has grown from 8 to 14. The quintuplets' guardians have adopted as their slogan that of the various Better Business Bureaus in Canada and the United States—"Truth in advertising."

No fake advertising will be permitted. If it is advertised anywhere that the babies use some particular food, some style of clothing, or some cleansing solution, the babies do use it. The 5 stand behind all their contracts. They or their guardians will not change a particular article from one firm to another just because the other firm is willing to pay more money for them to do so.

The needs of the children determine the product used and therefore the contracts. As a general thing choice of products is determined by quality and price.

The quintuplets are in a preferred position where they can refuse business. All kinds of contracts have been pressed upon them, but have been refused unless products are undeniably useful for the quints and as beneficial to the public at large. That has been so far the high ideal set by the guardians and those who in Hon. David Croll's department look after the contracts.

Complete Record Wanted

It seems to this writer to be too bad that more information is not given out on the financial side of the quintuplets' business. Endless publicity is permitted in other respects. It is good publicity. It teaches mothers how children should be raised. Last year it demonstrated how infants should be fed and taken care of. This year the great idea is to show how children should be allowed to play and how that play should be made to serve in their education. The hospital where the quintuplets live and the playhouse demonstrate many good things that should be done for all children. It would be an excellent thing if also the conduct of the quintuplets' affairs should be kept in the white light of publicity to show how trusts should be run in Canada.

There is no suggestion that financially things are not being run well. There is every evidence to believe that the contrary is the case. So far as accounts are concerned, an auditor from the provincial government goes out every 2 or 3 months to look them over. A voucher is kept for every purchase and for every sale.

The Quints Have Chased the Big Bad Wolf

But with such a good situation to unfold why wait until somebody in Parliament raises a hullabaloo before deciding to make frequent and detailed reports? Strong reform pressure has been exerted on parliaments during the depression to change the law so that various companies in which the public is interested should make frequent and accurate reports.

The public is not interested in the welfare of the quintuplets in the way a shareholder is, it is true. But in one very real way they are more interested. The quintuplets are Ontario quintuplets, and the people of Ontario would like to know exactly what is being done. They are glad that the Ontario government is supervising the quints on their behalf, but they want to know what is being done.

Millions of dollars will be involved eventually. Why not make the record complete from the beginning?

Chisellers are Warned

Hon. David Croll has given a splendid lead in his warning that the government will "crack down" on attempts to raise hotel and room rates in the North country to an extravagant height. The writer heard of cases where $5 was being asked of tourists in places around Callander and North Bay. In a large hotel this would be all right, but such charges for tourists' rooms in private houses and small hotels are very excessive. Hon. Mr. Croll did a good thing in exposing this racket and the North Bay Board of Trade, realizing how important it is for visitors to like the North country, is moving to see that instances of this kind shall be as few as possible.

The quintuplets have brought hundreds of thousands of tourists. It is up to the rest of Canada to treat them so well that they will come again and again because of scenic, sporting and other summer attractions of Canada.

And so far as this writer could gather impressions, altogether aside from the money feature of it, the majority of people are genuinely glad to welcome the tourists.

Income Tax Equivalent

The question has been asked, "Do the quintuplets pay income tax?" As The Financial Post has not been able to get an affirmative answer, it has come to the conclusion that the quintuplets do not pay income tax. It is believed this is considered a special case. The quintuplets have reduced the amount of money which the Ontario government has found it necessary to pay to induce tourists to come into Ontario by about half. That amount is far more than any income tax could possibly come to for a number of years. The quintuplets are of benefit to Canada as a whole as well.

Strong evidence that the popularity of the quintuplets is to be enduring comes from the fact that no person calls them quintuplets. They are "the quints." A nickname is a sure sign of intimacy of thought, and even of affection.

Pebbles Wanted

In troughs, near where the playroom of the quintuplets is situated, and handy for the many thousands who wait twice a day for the chance of getting in to see the babies at play, there are pebbles of varying sizes. These pebbles are carefully selected from the property of the quintuplets. Any person can dip his hand in and fill his pockets. It costs him or her nothing and he has something which is regarded by many people as much more than a simple relic of the place where the quintuplets live.

These stones have no gold in them, but they are worth money. Letters with money for stones come from as far away as China and India, from England, Scotland, Germany, France and from obscure places in Europe. Those who are writing are very often childless couples who yearn for children, or honeymoon couples. Somehow or other the idea has been bruited about the world that there is supposed to be some talismanic or magic qualities to these stones if possessed by those who are looking for children.

To many it is just fun. The writer took a few handfuls and it is surprising how many of these pebbles go into half a pocketful. He has distributed the stones widely to people who are adult enough to take the joke. Everybody was interested. Nobody was indifferent. Some laughed but passed the stones along hastily to another couple. And some hung on to them.

Money Returned

It may be said here that the money orders sent for stones of Callander have been returned in every instance. Doctor Dafoe, who is immediately in charge all the time, will not send a single stone away from Callendar. Those who want to get the stones must come for them. It is safe to say this is a feature of the Callander pilgrimage which will become more and more popular from year to year. The number who believe in the virtue of the stones will likely increase from year to year. It will become a habit like kissing the blarney stone at Blarney Castle.

Another couple that are benefitting from the attractions of the quints, it is good to say, are Oliva Dionne, the father of the 5, and his wife, Elzire. Oliva has been given the best spot to do business, just opposite the entrance of the quintuplets' estate. The centre of the sign reads, "Oliva Dionne" in great letters, and on either side in French and in English are the words "Souvenirs—Refreshments—Operated by Parents of the World's Most Famous Babies."

Whoever puts up the money and manages this, it is Oliva Dionne who is the great drawing card. Except when he gets tired of the great crowds and retreats to his house, he is available there at a table to give his signature at 25 cents each to the hundreds who clamor for it. If he wishes to take full advantage of it, he has the chance to make a great deal of money in a short time. It is understood that from his trip to Chicago and to the Canadian National Exhibition, and from other sources, he has accumulated a sum of nearly $10,000. He still owns a bush farm of 200 acres, as he did when the quintuplets were born, but he is no longer a farmer. His present business is very much more profitable.

It will be remembered that on their last birthday, May 28, the quintuplets made him a present of $1,000. He bought a new car. He had had a new car the previous year. Apparently he believes, as do many well-fixed people elsewhere in Canada, that it is a good thing to turn in your car every year. He lives in the same house as he did before the quintuple event and there is little external change there except that the Dionne family has a maid. The new baby is doing well.

How About Other Dionnes?

Educationalists are expressing great hopes that the Dionnes themselves will, with new prosperity, try to educate and bring up their other children to keep pace with the quintuplets. The case of the quintuplets when they arrive at maturity will be a strange one. As 5, they are remarkable. Will they then be separated and get married and live normal lives in households of their own? No one knows. But at least the curse will be taken off the strangeness if their brothers and sisters keep pace and maintain affectionate relations.

One psychologist was quoted as saying that he considered the Dionne quintuplets to be the most unfortunate children alive. He explained this by saying that they will always be regarded as abnormal children. They will never be able to go anywhere but crowds will point them out and follow them about for the one big reason that 5 were born of one mother on May 28, 1934.

The Financial Post representative asked Dr. Dafoe his opinion. "There is no blinking the fact," he answered, "that the 5 children must pass their lives in the glare of publicity. They must become used to hundreds and thousands of people watching them."

"What is the alternative?"

"Conditioning" Quints to Crowds

"We might keep them from the knowledge that there is anything abnormal in their position by building a wall around them and never letting them come in contact with the public. That is impossible. The public would not stand for it. I do not think the Province of Ontario would stand for it. They are too great an attraction to tourists and lead so many people to see the beauties of this part of Ontario. In the end, they must get accustomed to crowds. We must very carefully consider their training so that they will not be hurt by it. We must look forward to training them as the children of kings are trained. Royal children have learned to see and meet and hear and respond to thousands of people who are continually looking at them. Psychologically they have become used to that environment much as a fish is used to the ocean it swims in. We must try to make them so used to the continuous presence of great crowds that they do not think of it as exceptional. It will be a background to their existence much as the sky, rocks, road and buildings at Callander are.

"They will have to meet the public some day. We hope to prepare them for that time.

"But for the present we are trying to keep them from feeling the presence of the crowds. Last year when they were brought out on the platform one by one by the nurse, and exhibited to the public, it did not seem to do them harm at first. But toward fall they began to react and to become irritable. Some years must elapse before they can be allowed to meet many people, and we want them to have as happy a childhood as possible in the meantime. We decided the public had rights also.

"The question was to give the public a better view of the babies and to arrange matters so that the children would not be aware of the crowd.

Crowds Unseen, Unheard

"You will see our solution when you go out to see the quintuplets at play this afternoon. We had to expropriate some land to create a playground 80 ft. by 40 ft., and to erect galleries all around it. We have tried in their playtime hours to give them the same sort of training as does Dr. Blatz's school in Toronto.

"After the galleries were completed, the children could still see the crowds in the galleries. Between the children and the crowds passing along the galleries we interposed a large wire screen with 3 coats of white paint on the inside. That allowed the people in the galleries to see the children, but because of the light on the white paint, the children could not look through and see the crowds. The glass was put in so that the children would not hear the continuous exclamations of the crowd, such as 'Oh,' 'Ah,' 'Aren't they lovely!' 'The darlings!' and so on.

"If a quint looks up, all she can see are just white shadows passing by. Next year we may have to improve it still more.

"Of course, there are so many coming in that we have to keep the crowds moving through as quickly as possible. The turnstiles are able to pass through about 8,000 people every hour if necessary. The crowds divide after they pass through the turnstiles, with one half passing to the left and the other half to the right. The quints are thus observed from both sides and the crowds are accommodated much more quickly. The quintuplets have to use their policemen to see that the crowds are kept moving so that everybody can see them. Outside, the Ontario police look after the crowds.

"Across the road we have had to put up for the benefit and convenience of the crowds rest rooms, and within a few weeks we will have benches to accommodate the waiting crowds until such time as the quintuplets have finished their afternoon sleep and begin to play. The quintuplets have financed everything."

Home for Nurses, Police

A new feature of the Dionne quintuplets' property this year, in addition to the playground and the garages, is the staff house built for the nurses and the policemen. It has been a rather strenuous job for the nurses and for the policemen. Because everything was done to conserve the health of the quintuplets, these were not able at any time to entertain their friends on the property. This the guardians considered most unfair, and now that a staff house has been built they will be able to live lives of their own in their spare time. The new staff house has 8 rooms. There are 3 bedrooms on each side of the living room. Half the house is for the men and half for the women. The entrance is separate from that to the quintuplets' property. There will always be one nurse in the hospital.

Again this summer, though every arrangement has been made to accommodate the crowds, it becomes evident that the health and well-being of the quintuplets still is to the fore. That is most evident on the days when it rains. There may be 3,000 people there to see the babies. The babies are not brought out to play in the rain. But they are brought to the window of the hospital on such an occasion so that the crowds get at least a little view.

New Road Building

There at the property The Financial Post found a scene of tremendous activity. It was not only the hundreds of cars that drove up and tried to find a parking space for an hour before the time when it would be possible to see the quintuplets. But there were busy workmen all around the place. A fence has been torn down and stones and gravel are being poured out on the Dionne farm across from the quintuplets' place in order to make a large area still further to accommodate the crowd.

Over the hill beyond the quintuplets' place one found that the road had been closed. The reason was that large forces of men were at work to build a fine road to connect 5 miles farther on with the Trans-Canada highway.

When that road is completed, the tourists that come up from the south in cars will not have to go back to Callander to get on the main road going to North Bay and other points in the north. They will be able to continue on their trip. Others will also be able to come direct to the quints from the north.

Much wonder has been expressed by some people as to why the quintuplets have not been billed for the Canadian National Exhibition this year. Last year they were too small and it was feared that it would hurt their health. The Financial Post is able to say that there is no intention of permitting them to be shown at any exhibition. The quintuplets have their own exhibition at Callander and it will continue to be an all-year-round job for many years to come.

Quints Stay Put

The quintuplets will not come to the tourists. The tourists have to go to the quintuplets.

The province is doing a good job by providing good roads for the tourists to get into Callander and out. Some people are even wondering if the presence of the quints at Callander is not dominating road policy of the Ontario government. Certainly cars Quint-bound can now turn off any of the 3 roads running from Hamilton to Toronto, and go directly north without going to Toronto and going north on Yonge St., as was necessary before. Some call it now "The road to the quints."

Wonder of wonders, there is no dust. That is a boon to the quintuplets and to the crowds alike. To accomplish this the Ontario government has a great deal of calcium chloride thrown on the roads every day.

The children's free engagements with the public will be announced by radio soon.

The quintuplets will now do a year-round business. In the coming winter they will have their play hours in the open as they have during the summer. They will be suitably garbed for cold days, but suitable play must go on in winter to keep the quints up to scratch as good winter athletes.

Snow plows will keep the roads open.

How big will the quints' business be eventually? Only the quintuplets themselves can furnish the answer. Will they continue to be the assets they are at present? They must show continued health, vigorous activity and intelligence, and be equal to the growing demands of every new year.

They are doing splendidly so far.

Better Show

The show in 1936 is immeasurably superior to that in 1935.

Barring accidents, the next 19 years until the quints come of age should be great ones for them and for Canada. They speak nothing but French so far, but will learn English later on as this is a bilingual province. They may also learn other languages. It is certain that they will be fond of sports and all other outside activities. They are learning now to take their afternoon tea, and they will be familiar with all things required of modern hostesses. In fact, some people think that one day they will be official hostesses to the north.

It is a marvellous exhibition of what some modern teachers believe children should be taught. While some of the quints were taking tea, others more adventurous went to the raised platform in the centre of the grass plot which is their playground. The platform can only be reached by climbing 6-foot ladders on every side. All of them, one after the other, of their own initiative, climbed slowly to the top. The crowds gasped as one tot after another reached the top and managed to throw its leg over and so tumble over inside the top ladder-rail to comparative safety. Many a mother who has been scolding every attempt of a 2-year-old to get more than 2 feet above the ground held her breath as she saw the nurses turn their backs on the children climbing these high places.

Take Their Tumbles

But that is part of the modern idea. The children have learned to take their tumbles at lower levels on the grass and know what it means. Every single quint was able to make the big climb. Each quint is valuable to the province, to herself and her sisters. This exhibition therefore is all the more valuable in that it shows the quints under modern ideas must be allowed to take whatever reasonable chances go with their various play initiatives.

The strength of the children is amazing. One can hardly believe that these 5 beautiful, vigorous children only 26 months ago were born prematurely and as a consequence looked like famine children of India with small legs, ribs showing and protuberant stomachs. Careful feeding, regularity in sleep and play, lots of fresh air and careful training have made all the difference.

Training

Dr. Dafoe was asked by The Financial Post when the education of the children would begin. "Begin!" he exclaimed. "Their education has been on from the beginning. They are being educated by their play. They are being educated by contact with each other and with the nurses.

"The children are learning a good deal and teaching each other. They have learned by themselves to clean up any muss they see on the floor. One started doing it of herself, and then the others wanted to do it, and it has become quite a housewifely trait now. They are marvellous trainers each for the others. For instance, Annette is a biter. The habit is beginning to fade away before the other children as they say, reprovingly, 'Oh, Oh, Annette bites.' The nurses are continually consulted by the children as to what is correct behavior."

The children have encountered no surgical operations as yet. They are healthy and strong. Like other children, they have adenoids. Will there be operations for them? Dr. Dafoe, it is understood, is "on the fence" on that matter.

Both for their own protection and as an example to other children in the world, he has given toxoid against diphtheria. Publicity is given to that because it teaches other mothers what they should do for their babies.

Threat in U. S. Vote

From Our Own Correspondent

WASHINGTON, D.C. — Progress of the U. S. presidential election campaign so far indicates pretty clearly that if the contest were a straight fight between President F. D. Roosevelt and his Republican opponent, Governor Alf. M. Landon, of Kansas, the president would be returned to office with a substantial majority. Even with 80% of the leading U. S. newspapers against the New Deal chief, every "straw vote," test ballot, and report from touring political observers indicates Mr. Roosevelt still maintains an edge of about 53 to 47 over Landon.

It's an Uncertain Element

The uncertain element is the campaign of the "Union" third party. This loose aggregation of the National Union of Social Justice, headed by Rev. Father C. E. Coughlin, the radio priest; the Old Age Revolving Pension clubs of Dr. Francis E. Townsend; the Farmer-Socialist party of Representative William Lemke, of North Dakota; and the remnants of the late Senator Huey E. Long's "Share-the-Wealth" movement headed by Rev. Gerald L. K. Smith, is occasioning party leaders of both Republicans and Democrats real anxiety. The Republicans, while inclined to encourage the "Union" party in the hope they will draw enough votes from Roosevelt to defeat him, still fear they might pull enough to carry 2 or 3 states.

A close election, such as this now promises to be, might throw the election into the House of Representatives with generally disastrous results to business in the political confusion that would ensue. Father Coughlin's offer to bet $25,000 the "Union" party would carry the postage stamp state of Rhode Island was no idle boast, for a huge number of textile operatives in that state are former French-Canadians.

After French-Canadians

Rev. Father Coughlin figures he is going to win a solid block of these French-Canadian votes in the New England states. Which probably explains President Roosevelt's recent gesture in Quebec when he spoke briefly over the radio in French—a graceful gesture to his French-Canadian hosts, but a sound political appeal nevertheless to the French-Canadians in the New England states. Further, the "Union" party chose an Irish Catholic, John O'Brien, of Boston, for their vice-presidential candidate. In that city, as well as other industrial centres of the New England states, the Irish-Catholic vote often carries the balance of power. It is in that section, traditionally Republican as a whole, that the Landon managers are extremely doubtful about encouraging "Union" radicals.

The hope of the leading Republican and Democratic party chiefs is to see this so-called "Union" party break up in factional fights. All that actually unites them is a mutual hatred of President Roosevelt. They profess to believe that he betrayed the under dogs by promising, then failing, to "drive the money-changers from the temple." What they mean is that he failed to have the government take over the Federal Reserve Bank, failed to issue $3 billion in paper money instead of bonds to take up farm mortgages, failed to pay large, direct federal pensions to the aged and, instead, encouraged revival of corporation profits.

Union Not Formal One

So far, the "Union" party leaders have shrewdly avoided internal warfare by the simple expedient of not joining in a formal union. The Townsendites, and later the Coughlinites, at their respective Cleveland conventions, decided to carry on their party objectives separately, merely pledging themselves as individuals all to work for the election of Lemke for president.

Meanwhile, Democratic party strategy is to have President Roosevelt himself avoid the appearance of playing politics. That is presumed to be beneath the dignity of the nation's first citizen. Mr. Roosevelt cannot be excelled at that.

The tour he is now making of the western drought area can certainly be put on the basis of necessity. No matter that these western states are now the vital voting section of the U. S. But it will be noted that in each one of his speeches he drives home some point bearing on his capacity in office. At Buffalo, outlining the traditional "hands off Europe" policy of the U. S., he certainly managed to make clear that his foreign policy so far as has been the most successful—from the U. S. point of view—of any president for a quarter century.

Willing to Come

On the other hand, Mr. Landon, the Republican candidate, is no less shrewd. When the president invited his opponent to meet him at a conference of governors to discuss drought problems in their states, the Kansan promptly said that he would, of course, do anything or meet anyone to discuss the welfare of his state.

One noticeable change is taking place though the campaign is not fully under way. The Landon press, comprising the great majority of American newspapers, has greatly moderated the tone of its criticisms of the New Deal. One reason undoubtedly was the lesson taught by the unfavorable reaction of the public to Rev. Father Coughlin's calling Mr. Roosevelt a "liar" and "great betrayer." Though the priest later half-heartedly apologized, the bad taste remains. Another is that the various test polls so far indicate rather clearly that the president's appeal to join in the fight against wealthy "economic royalists" had a powerful effect on the public mind.

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Steel & Coal Loss

A client of mine bought 100 shares of Nova Scotia Steel & Coal common for $14,000 about 20 years ago but is not sure what the loss is. Have you the information to figure it out?

Nova Scotia Steel & Coal was taken into British Empire Steel Corp. about 16 years ago, and your client would have received 90 shares second preferred and 40 common shares in British Empire Steel Corp. for his 100 shares. In the reorganizing of Besco in 1930 into Dominion Steel & Coal Corp., "Dosco," the Besco shares were exchanged for 53 of the present class B shares of Dosco. These are selling at about $5½, total value $291.50, so the loss is $13,708.50, and, if you wish, you can add interest.

Corrugated Paper Box

I am thinking of buying preferred stock of Corrugated Paper Box Co. because of the high yield, about 8.5%. Do you think the 7% dividend is reasonably sure of being paid?

The reason for the high yield on preferred shares of Corrugated Paper Box Co. is that the dividend has been earned by a rather narrow margin. In 1935, earnings amounted to $8.92 a share, compared with $7.62 a share in 1934 and $1.96 a share in 1933. In 1931 and 1932, the company showed a deficit after charging depreciation. Preferred dividends were resumed in 1935. As to business this year, we believe there has been little change from last year.

The company's working capital has been very materially strengthened in the last 3 years, and provided the present rate of earnings is maintained it is capable of paying the dividend.

Adelaide-Sheppard Bldg.

I have $3,000 invested in Adelaide-Sheppard Building 7% bonds. Would you advise me to hold these bonds or should I sell them and invest the proceeds in Dominion of Canada bonds?

On Sept. 15, 1933, interest on Adelaide-Sheppard bonds was reduced to 5% for a 5-year period under a compromise arrangement with the late Mrs. Theresa Small, who held the second mortgage. Mrs. Small guaranteed operating expenses, taxes and interest on the first mortgage bonds at 5% for a period of 6 months at a time. Every time interest is paid, the guarantee is automatically extended for another 6 months. While interest has been paid regularly since 1933 we believe that the 5% rate has not been earned.

If the guarantee were not met, it is probable bondholders would find their income reduced. This is reflected in the current price of $48 per $100 for the bonds. You must also remember that there is a dispute about settlement of the Small estate which may interfere with payment of interest on the bonds.

It does not seem very attractive to sell Adelaide-Sheppard bonds at the present heavy discount for the purpose of investing in Dominion of Canada bonds where the return is only about 3%. Even if interest on the Adelaide-Sheppard bonds were reduced to 1½% the yield would be as large as you would get in Dominion of Canada bonds.

Dufferin Paving

I hold some Dufferin paving Series A 5% debentures, due 1955, and have been unable to get an earnings statement for 1936 to date. How would you classify these bonds? Is the company earning interest requirements by a safe margin and do you consider it advisable to hold on to the bonds?

The earnings record of Dufferin Paving and Crushed Stone Ltd. has been impressive since 1930. Moreover the company has shown little inclination of late to give extensive information to investors.

The company was reorganized in 1935, and the preferred shares were exchanged for the present issue of 5% debentures. Consequently, the 12,500 common shares are privately held, and the company does not necessarily have to issue a financial statement under the Ontario Companies Act.

The debentures are at present quoted about 66 bid, and approximately 70 asked. The interest due Jan. 1, 1936, was paid. We understand, although we have no statement to prove it, that the company earned its interest, after depreciation and other charges by a comfortable margin in 1935. Business this year is understood to have been satisfactory.

Because of the lack of complete information, and the record since the company was financed publicly, the bonds cannot be ranked very highly. Although the market is inactive, it is possible the securities will eventually be worth more money, because no dividends can be paid while any of the A debentures are outstanding. In the long run, however, you may get greater satisfaction in some investment where the situation is less obscure.

B. C. Power B

How does the present price of about $4½ a share for B. C. Power class B stock compare with boom-time fluctuations? Is there a reasonable chance of a come-back for this stock?

B. C. Power class B shares sold as high as $40 and as low as $18 in 1929. However, these valuations appear to have been rather high, since the company never showed earnings greater than 22 cents a share, and has never paid a dividend on the stock. There are 1,000,000 shares of class A stock outstanding, carrying preferred, non-cumulative dividends up to $2 a share, requiring a total of $2 millions annually. Maximum earnings reported by the present company were $2,437,000 in the year ended June 30, 1931. After payment of $2 on the A, the remaining $437,000 applied, half to the class A shares, half to the class B. In view of the participation of the class A shares up to $5 a share with the class B stock, the senior issue is a more stable type of investment. This does not mean, of course, that there is no prospect of a recovery for the class B shares.

David & Frère

Do David & Frère Class B common shares offer a good chance of recovery in value? How high did they get in 1930?

David & Frère class B stock sold as high as $11.50 in 1930, and as low as $5. In its best year, the company earned $2.25 on the class B shares, but has shown only moderate ability to recuperate from depression conditions.

Milling Companies

It seems to me that the world wheat shortage should react to the benefit of Canadian milling companies. I would appreciate if you would give me some information on which Canadian milling companies can be expected to benefit most from a more stabilized price for wheat at higher levels.

The milling companies in which Canadians are interested from the investment point of view are: International Milling Co., Ogilvie Flour Mills, St. Lawrence Flour Mills, Lake of the Woods Milling Co., Western Canada Flour Mills and Maple Leaf Milling Co.

Those that have been in the best financial position through the depression period are International, Ogilvie and St. Lawrence, the latter being one of the smaller units. Lake of the Woods has been showing recovery and has a large earning power. However, there is $28 a share of arrears on the preferred stock outstanding ahead of the common, which will have to be settled in some way before the common shares can be expected to receive any dividend. Western Canada Flour has also had its difficulties, and last year earned nothing at all. Consequently, the preferred stock is in arrears $16 a share.

Maple Leaf Milling Co. has been reorganized, and, for the present, seems to have little possibility of paying any dividends on the new class A preferred shares, much less on the common stock.

Your deductions may be reasonable, although there is no precise way of telling exactly whether they are correct. Conditions have appeared somewhat better for the Canadian flour exporters in the past year, but results have not improved sufficiently to demonstrate any sensational recovery. However, considerable improvement may develop from present conditions, but will depend to some extent upon factors which are at present indeterminate.

Steel of Canada Pfd.

I bought Steel of Canada preferred at $40 a share and now that it is around $60 I wonder whether I should take the profit. What are your views?

Steel Co. of Canada earns its preferred dividend of $1.75 a share by a substantial margin, but the return is under 3% at $60. Eventually, if the company's earnings continue at their recent substantial level, the preferred would rank for participating extra dividends along with the common shares. However, before that event can occur, the company will have to pay an additional $10 a share on the common stock, besides the regular dividend of $1.75 annually. For the present, therefore, there is not much expectation of an increase in the Steel of Canada preferred dividend. It may be some time before the company is paying a satisfactory return on the present price of $60 a share.

Brewing Corp. Common

What are the prospects for a comeback in the common shares of Brewing Corp. of Canada?

Brewing Corp. of Canada has been unable to earn its full preferred dividend, so that the outlook for the common remains uncertain, as is indicated by the low price of the shares.

Champion Simmons

Will you kindly let me have your views and information on Champion Simmons Investment Corp., Regina, especially as to installment certificates?

Champion Simmons Investment Corp. is a somewhat youthful member of the group of companies that sell installment certificates, upon which the purchaser makes regular payments. As in the early stages of a life insurance contract, the greater portion of the earlier deposits goes to pay agents' commissions, expenses and so on. In order to get the full benefit of systematic payments, the purchaser of a certificate should maintain his deposits throughout the life of the certificate. Then the value of the installment payments at the end of the period will depend upon the investment success of the company.

At Dec. 31, 1935, the company's balance sheet was approximately as follows:

Assets	$
Cash on hand and in bank	2,102
Investments and accrued interest	56,811
Prepaid items	2,869
Furniture, real estate, etc.	6,799
Total	68,581
Liabilities	
Accounts and taxes payable	367
Certificate surrender liabilities	36,000
Certificate advance payments	10,794
Capital and reserves	21,420
Total	68,581

The company's investments consisted of 30% government bonds; 58% municipal bonds; 12% first mortgages on urban property. Most of the bonds, we understand, are Saskatchewan and Regina securities. The company's agreement is to maintain on deposit with the Royal Trust Co., 110% value of security for each 100% surrender liability under the certificates. The surrender liability only grows with the age of the company, the maintenance of deposits and finally with successful investment of funds.

Dominion Bonds

I hold $5,000 of Dominion of Canada bonds which would yield a substantial profit if I were to sell at present prices. Would you advise me to dispose of them now and to invest in sound stocks or corporation bonds? I might say that in addition to the Dominion of Canada bonds I hold a number of good Quebec municipal and school bonds.

The question you ask about sale of Dominion of Canada bonds at present high prices is indeed a difficult one for the investor. Naturally, the high price makes the profit attractive, but at the same time it must be remembered the securities are always highly liquid, even though the interest return on present values is small In view of the fact, however, that you have some high quality Quebec municipal bonds, it may be to your advantage to take the profits on either those or perhaps on your Dominion bonds. You could get a higher return, although somewhat less liquidity by putting the proceeds in 5-year debentures of one of the trust and loan companies, or by purchasing some such corporation securities as C.P.R. convertible issues.

United Steel Corp.

Could you give me some information on United Steel Corp.? What are the prospects of appreciation in the value of its common stock?

It is somewhat difficult to appraise the future of United Steel Corp., because in its present form the company is comparatively young. United Steel Corp. took over the former Dodge Manufacturing Co. in 1933. Before the depression, the Dodge firm had been an earner of dividends for shareholders. There have been several changes in the capital of United Steel Corp., and the latest one, approved only in July, will leave outstanding approximately $150,000 of first mortgage bonds, 32,976 class A preferred shares carrying a dividend of $1.50 each, and 370,110 common shares.

The dividend on the class A shares becomes cumulative this fall. Since the company's incorporation in 1933, no dividends of any kind have been paid. The highest price for common shares was $6.50 in 1934. Earnings on the class A stock in 1935 amounted to 4 cents a share, compared with 47 cents a share in the 14½ months ended Dec. 31, 1934. No earnings have been shown at all on the common.

We understand there has been some improvement in the business of the company and its associated firm, Standard Steel Construction Co. this year. They manufacture many types of industrial, mining, and building supplies and equipment.

In the recent change of capital the 2,500 class B preference shares are to be exchanged into 87,500 common shares which is included in the total number given above. This leads to some expectation that there may be some market activity in the common stock, possibly with the idea of raising the price slightly and thereby distributing shares to investors.

Debenture & Securities

I would appreciate a report on the preferred stock of Debenture & Securities Corp.

Debenture & Securities Corp. had some $500,000 of debentures outstanding at the end of 1935, and earnings were sufficient to cover expenses and debenture interest, leaving $8,252 as profit for the year applicable to the $332,900 of 5% preferred stock. Earnings, therefore, amounted to $2.48 a share on the preferred in 1935. The company has an accumulated deficit of $441,000, which naturally prevents payment of any dividends.

The company is an investment trust, and at the end of 1935 had its assets divided 15% in bonds, debentures and cash, 36.4% in preferred stocks and 48.6% in common stocks. In a period of economic recovery, the preponderance of common stock investments may allow the company to recover values and earnings.

Windsor Bonds

I hold City of Windsor bonds. Should I let the committee in charge do as it thinks best or refuse to accept the terms of the refinancing scheme?

There really is not a great deal of choice as to what you can do about your Windsor bonds. The bondholders' committee has done the best it can to get a reasonable deal from the city, and the Ontario Municipal Board is to consider the various aspects of the financial reorganization in September.

While you could refuse to accept the terms, it might not do you much good, since large enough blocks of bonds will probably favor the scheme to constitute a majority. Our view, however, is that the committee has done a good job under the difficult circumstances of the negotiations, and that you would be well advised to support it in the reorganization plan.

The financial reorganization recognizes that Windsor is unable to pay its full debt charges, so that you would be taking a reduction in your income However, when the city becomes capable of paying more interest, the plan gives you some chance of getting increased payments

Toronto General Trusts

What are the prospects of Toronto General Trusts Corp. increasing its dividend?

Toronto General Trusts Corp. at present pays a dividend of 4% whereas in 1931 it was paying 12%. The company appears to have made pretty liberal provision for losses on western mortgages, and should benefit from the reduced rate of interest it is now paying on deposits and debentures. If interest earnings rise, it is possible that dividends might rise, but there is no immediate indication of this. Meanwhile, the 4% dividend is being covered by a reasonable margin.

The Woman Investor

Revising a Portfolio

WHEN investment markets are riding the crest of a bull wave, the wise woman investor takes thought of the future.

She may have a substantial paper profit from speculative stocks or from mediocre investments, or her profits can represent an appreciation in value that is fully justified by earnings and outlook for the companies represented.

But it is at such a time that she may well stop and analyze future possibilities.

Typical is the case of an Ontario woman, middle-aged and unmarried. She asks advice regarding an investment portfolio which at best could only be described as "fair."

• • •

Assuring an Income

THE woman owns her own home, as well as another property from which a small rent is derived, and in addition to her less attractive investment holdings she has about $2,000 in Dominion government and province of Ontario bonds. Her municipal bond holdings, of a type not readily marketable, have a total value at current quotations of around $6,500.

Liquidation of her less desirable municipal bonds as a first step appears to offer part of the solution to a successful revision of her portfolio, providing she retains those municipal issues which have reasonable prospects of increasing in value.

The balance would probably bring about $5,000 and with this amount she could purchase a Canadian government annuity to yield her approximately $300 a year for life. The amount is no less than she is receiving from the municipal bonds at present and is assured for the balance of her life without the problem of prices and reinvestment. She has her real estate and her Dominion and provincial issues provide liquidity in case of an emergency, also she retains a reasonably good chance for increasing her capital through appreciation in the value of the municipals which she continues to hold.

STOCKS LISTED AND UNLISTED BONDS

Hambly, Peaker & Trent

Members
THE TORONTO STOCK EXCHANGE

613 DOMINION BANK BUILDING
TORONTO
Elgin 3394

Rackets

"Borderline" Racket

BUSINESSMEN and brokers are continually being asked to contribute to organized charities, and because of the hundreds of calls made upon their resources each year, the majority are careful to limit their contributions to those charities of recognized standing in the community.

Occasionally, however, the charity racketeer gets his innings, as in the case of appeals made to eastern Canadian businessmen on behalf of a "home for destitute men."

On the surface, the charity appeared to be worthy of support, but a different story was revealed when it was subjected to investigation by representatives of the Toronto Better Business Bureau.

An investigator visited the "home" 3 times in a single day, but there was no answer to his efforts to gain admittance. Several days later and after further attempts the investigator succeeded and the door was opened by a woman who stated she was the janitress. It was evening, but only one light burned in the building, the woman explaining that the "men were out."

• • •

Back From Scotland

THERE was no register by which the number and names of occupants could be learned, and the solitary resident—the janitress—explained she had just returned from a trip to Scotland!

Yet the supposedly active charity has collected between $12,000 and $15,000 during the last 10 years, based on one year's receipts as shown to investigators.

Approximately $1,200 was collected last year from businessmen in the eastern Canadian city where the "home" is located. The whole of that amount was expended in "wages" and fuel, with the exception of $450 which was used to pay mortgage interest. The printed report of the home, when finally obtained by investigators, failed to show the number of men accommodated at the "home" and its financial statement was unsigned.

Charity rackets are not all outside the law. The borderline rackets are the most difficult for the average businessman to recognize.

Newsprint Securities. 6.

Canadian Inter. Paper

Ability to Pay Interest Charges Throughout Depression Period Strengthens Confidence in Company's Full Recovery

From Our Own Correspondent

MONTREAL. — Canadian International Paper Co. has met all obligations on its funded debt in the hands of the public, though there were times in the last 4 or 5 years when it was expected the company might have to default as did so many other newsprint operators.

The somewhat complex financial and corporate structure of this company and its relations with International Paper Co. and International Paper and Power, have been confusing to the ordinary investor, who has been rather inclined to pass up this company's bonds for those of some other company with a simpler set-up.

This attitude can be understood readily, but when a first mortgage bond selling at 93 and carrying a 6% coupon has been in good standing throughout 5 of the leanest years ever experienced by the newsprint industry, the company and its position merit close study.

Basis of Establishment

International Paper's newsprint and pulp operations in Canada and Newfoundland are controlled through Canadian International Paper. The Newfoundland property is operated directly through International Power and Paper Co. of Newfoundland; the New Brunswick unit through New Brunswick International Paper Co.; and the other Canadian properties, mostly in Quebec, through Canadian International Paper Co. C. I. P. holds common stock control in N. B. International and I. P. of Newfoundland. It is well to clearly understand the relationship existing between these three properties. The Newfoundland unit, which is managed largely from New York, has bonds and other securities in the hands of the public. All of the bonded debt of N. B. International is held by International Paper; there is no investment interest in this property. C. I. P. has numerous securities issued, but only 2 are of public interest; the underlying 6% bonds of Riordon Pulp and Paper and the 6% first mortgage bonds of 1949.

Debt Over $85 Millions

The consolidated funded debt of these 3 units at the end of 1935 amounted to nearly $85 millions, of which $38.9 millions are owned by International Paper. In addition there are over $18 millions of inter-company obligations which will be considered later.

In the breakdown of the consolidated debt, N. B. International accounts for $12.5 millions of first mortgage bonds, all owned by International Paper. It has also direct bank loans of $524,000.

I. P. of Newfoundland has approximately $24.5 millions of bonded debt in the hands of the public. Particulars of the different issues are not detailed here as it would only lead to confusion.

The balance, amounting to about $49 millions, represents the direct debt of C. I. P., with the exception of $547,700 of 6% debentures issued by a subsidiary, Riordon Pulp and Paper.

Less than half of the C. I. P.'s bonded debt is held by the public; to be exact, $21,836,000 of 6% first mortgage bonds.

These mortgage bonds are secured by a first mortgage on the Three Rivers and Gatineau newsprint mills (with an annual capacity of 400,000 tons) and the Kipawa sulphite mill; (subject to divisional liens) on the Hawkesbury mill, several saw mills and the company's timber limits in Quebec, all of which represent an investment in excess of $60 millions.

Inter-company Items

While C. I. P. has no direct bank loans, the debt structure carries a number of important inter-company items. At the end of last year the company had outstanding $5 millions of 5½% secured notes given to International Paper and assigned by the latter for bank debt.

In addition there is owing to I. P. advances totalling $4.8 millions, while deferred and accrued interest, bring this item up to nearly $7.5 millions.

Then C. I. P. Co. owes its parent company—C. I. P. Ltd., $860,482.

Secured Notes Extended

The 5½% secured notes from C. I. P. to I. P. matured June 24 last, but were extended to November 1, 1936. These notes are secured by certain inventories and do not affect the security back of C. I. P. 5% first mortgage bonds.

It is important to note that up to date the secured notes have been regarded as a current liability primarily because they were pledged under the International Paper bank debt. This bank debt has been paid off as a result of the Southern Kraft Corp. (a subsidiary of I. P.) financing and will appear in the next C. I. P. financial statement as a deferred liability.

Status of Floating Debt

A point of confusion in studying the position of C. I. P. has been where these inter-company obligations stand, especially as a possible charge on earnings.

It can be definitely stated that the interest on the open account to International Paper is on a deferred basis and ranks junior to interest on the mortgage bonds. No interest is paid on the deferred interest.

The same statement is true with respect to the amount due to the parent company, C. I. P. Ltd.

As a practical matter this open account indebtedness can be considered as additional capital as the parent companies would have little to gain and a great deal to lose by trying to enforce it.

It is stated officially that these open accounts are not a current liability.

Can Earn Interest

The point of greatest importance in connection with all newsprint company bonds is whether or not interest charges are earned. In the case of C. I. P., revenues are derived from its own newsprint and pulp operations; from I. P. of Newfoundland and N. B. International.

Separate financial statements are not made public for all three companies. The C. I. P. statement is a consolidated one and covers the returns for all properties. I. P. of Newfoundland issues a separate report on its own operations, but none is issued by N. B. International.

The consolidated sales and net earnings before interest and depreciation of C. I. P. in the last 4 years follow:

(Consolidated Returns)

	Sales	Net Revenue
1935	$38,705,851	$5,316,903
1934	36,006,956	4,906,964
1933	31,881,847	4,678,537
1932	30,227,722	3,649,799

Before any earnings are available for depreciation and interest on C. I. P.'s first mortgage bonds in the hands of the public, interest on the underlying securities of I. P. of Newfoundland and N. B. International must be taken care of. These charges amount to around $2 million annually. The balance is then available for interest on C. I. P. bonded debt and depreciation. Of late years the surplus has not been sufficient to take care of all interest charges and depreciation but the first mortgage bond interest of C. I. P., amounting to less than $1,350,000 annually, has been comfortably covered, as shown by the following figures:

(Consolidated Returns)

	Underlying Interest	Balance Available for C.I.P. 1st Mortgage Bond Interest
1935	$2,039,896	$3,277,007
1934	1,991,662	2,915,302
1933	2,082,385	2,596,152
1932	2,232,239	1,417,760

Prospects Appear Good

Thus despite the unusually low selling price of C. I. P. products, cash income has been sufficient to cover interest on the first mortgage bonds comfortably.

The prospects of increasing the margin by which interest charges are earned appears to be good. International has always pursued an active sales policy, with the result that its mills have been kept operating at a relatively high rate of capacity. With the increasing demand of late for paper and pulp, operations have been speeded up, as shown by the following table on production:

(Consolidated Returns in Tons)

	Newsprint	Pulp
1935	672,738	150,969
1934	639,368	146,027
1933	544,373	141,111
1932	493,433	119,251

Doing Better Now

Since the beginning of the year operations have been on a broader scale and there is reason to expect that production in 1936 will be the largest reported in several years. This should be reflected in larger revenues. The selling price of newsprint this year averages $1 a ton better than in 1935, while sulphite pulp prices have ruled strong. Consequently C. I. P. net revenues for 1936 should be $500,000 or more greater than last year.

As far as the immediate future is concerned, prospects are that the demand for newsprint will be maintained and perhaps increased. The selling price on 1937 deliveries will be $1.50 a ton more than is being paid at present.

Indications are that by next year C. I. P's consolidated statement will show all interest charges earned, with depreciation adequately covered.

P. T. Legaré Co. May Have Profit

Losses on Realization Reported By Trustee in Bankruptcy

In an interim report to bondholders and other creditors of P. T. Legaré Co., Quebec merchandising firm, G. S. Currie, trustee-in-bankruptcy, states that although a loss has been experienced for 4 months, it is anticipated there will be a small profit before depreciation for the full year.

Mr. Currie reports additional losses and write-offs of $475,990. Added to the deficiency of assets below total liabilities at April 4, 1935, the total deficiency is shown at $838,496. This compares with total liabilities of $3,778,513 at April 4, 1935, the date of the receiving order.

Losses to Come

It is estimated that $20,000 may be required to provide for additional losses on old and obsolete merchandise.

Accounts and bills receivable total $648,187. Of this, $352,409 dating prior to April 4, 1935, has not been collected or written off. Mr. Currie states no provision has been made "for the substantial losses which will be incurred in the collection of these accounts." Reserves have been provided for possible, but improbable losses on accounts subsequent to April 4, 1935.

As a result of the bankruptcy, holders of 6% first mortgage bonds are in the strongest position to exercise their lien on the business. Holders of preferred and common shares would be wiped out by a plan of reorganization which is to be considered at a bondholders' meeting Aug. 28 in Montreal.

Great Lakes Power Company
Limited

4½% First Mortgage Sinking Fund Bonds
Series "A"—Due September 1, 1956

Price: 99.50 and interest, yielding 4.28%

The Company supplies hydro-electric power to the City of Sault Ste. Marie, Ontario, and to the surrounding area in the Algoma district. Revenues are obtained from diversified sources including industrial, commercial, domestic and mining consumers.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

CANADIAN STOCK INVESTMENTS

Individual situations of interest are periodically reviewed by this firm. No obligation will be incurred by requesting that these reviews be mailed to you as issued.

Greenshields & Co
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC
SHERBROOKE

THE **ONTARIO LOAN AND DEBENTURE CO**
LONDON, CANADA
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
AGENCIES
EQUITABLE LTD., Calgary, Alberta
BUTLER BYERS BROS. LTD., Saskatoon, Sask.
McCALLUM-HILL AND COMPANY, LIMITED, Regina, Sask.
J. K. BINGLAND & COMPANY, LIMITED, Herald Building, Lethbridge

If mildness appeals—
"EXPORT"
CIGARETTES
—will win you.

To the Bondholders of

British Columbia Telephone Company

Notice is hereby given that the offer, dated July 6th, 1936, to exchange

First Mortgage Bonds, 5% Series A, due December 1st, 1960

for

FIRST MORTGAGE BONDS, 4½% SERIES B, DUE JUNE 1st, 1961

will be terminated at the close of business on

Wednesday, August 26th, 1936

Bondholders who have not yet arranged to convert their bonds and who wish to do so should make application immediately to any of the undersigned.

W. C. Pitfield & Company Limited

Wood, Gundy & Company Limited — The Dominion Securities Corporation Limited — Nesbitt, Thomson & Company Limited
McLeod, Young, Weir & Co. Limited — Hanson Bros. Incorporated — Pemberton & Son Vancouver Limited
Gairdner & Company Limited — Midland Securities Corporation Limited — Cochran, Murray & Co. Limited
Collier, Norris & Henderson Limited — H. A. Humber, Limited — C. M. Oliver & Company Limited
The Western City Company, Limited

STEP by step Canada is moving toward a major advance in the field of aviation.

For many years, the vanguard of this forward movement has hovered ceaselessly across Canada's northern frontier, and from the day in 1924 when a commercial air service first linked new-born Noranda to the railway, the saga of the winged carrier has been one of the most romantic and amazing success stories ever written in this country.

For a time—prior to the big depression of the '30's—the southern, settled areas also heard the hum of powered wings. And even depression has failed to stem the forward tide since thousands of men have worked since 1932 to build and perfect a coast-to-coast network of landing fields and airports in readiness for the day when nation-wide services would once more be resumed.

And now, scarcely a day passes that aviation does not make news—and front page news—from coast to coast. One day word is flashed that a full fledged Vancouver-Winnipeg service will be established. Another brings news that two twin-engined craft—fastest of their kind in Canada—have been purchased. Still again, word is flashed of detailed plans to inaugurate a transatlantic service linking the eastern half of the Dominion directly to Newfoundland, England and other parts of Europe and the world.

* * *

Decade of Progress

TO TALK modernization for such a new industry as air transport is somewhat anomalous when it is remembered that the history of commercial air transport in Canada covers little more than a decade.

In 1925 there were but 39 licensed aircraft in the Dominion—by 1935 this had increased to 380. Even more striking is the story of accomplishment by operating companies during this period. From little over half a million pounds of freight transported in 1925 by air a more than forty-fold increase has been achieved in the decade. The amount carried in 1935 was over 26 million pounds. Mail carried by air increased during the same period over a thousand times from 1,080 lb. in 1925 to 1,126,084 lb. in 1935.

The map of Canada—today crisscrossed by air routes—was ten years ago barely filled in except along the line of transcontinental railroads. Few knew of the treasures of our northern storehouse; fewer still realized the important part which air transport was destined to play in its exploitation. By 1931 a government report was able to say in regard to aerial photography for map making purposes that: "It has been possible to extend our exact geographical knowledge of northern Canada further in the last ten years than in the preceding century of exploration and discovery."

Of importance too is the fact that the vision and pioneering spirit with which this job has been tackled have accumulated a rich fund of experience from which to draw so that today men of vision and knowledge stand ready with equipment and personnel to keep pace with the evolutionary demands of modern air transport.

* * *

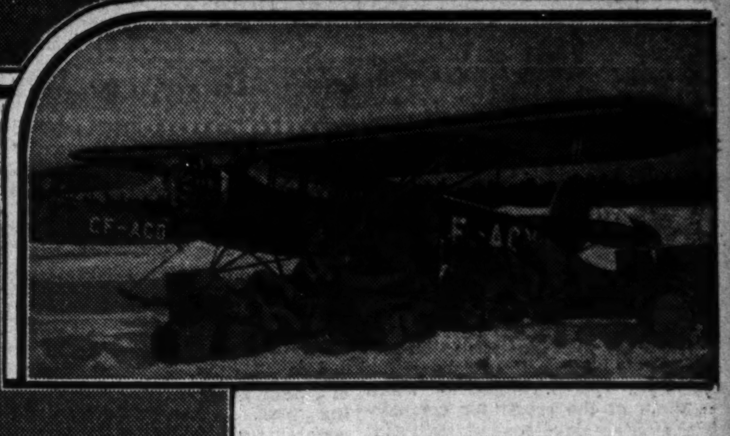
World's Busiest

IT IS the unique boast of Canadian commercial air services that the tonnage of freight carried in Canada is now greater than in any other country of the world. The growth in this respect has been phenomenal, the movement of trade having skyrocketed from an annual total of between 2 and 3 million lb. prior to 1933 to 14.4 million lb. in 1934 and 26.4 million in 1935. Counting 300 working days to the year this 1935 record means a daily movement of 44 tons of freight compared with the movement of but 9 or 10 tons of freight or express daily throughout the entire air transport network of the United States.

And no country in the world has shown itself more capable of adapting this modern form of transport to her national need than Canada. New types of planes adapted to economic handling of heavy and unwieldy freight have been evolved and put into use. Boilers, mine hoists, heavy mill assay equipment, steam pumps, diamond drills, even tractors have sped to their destination via these aerial box cars.

* * *

A WORLD RECORD is credited to Canada for the amount of freight carried over her airways. Volume exceeds 44 tons daily and runs the gamut from fresh fish to tractors. Across the top of the page is an action photograph of a new high-speed express plane ordered recently by Canadian Airways, Ltd., and which will be the fastest craft operating in Canada.

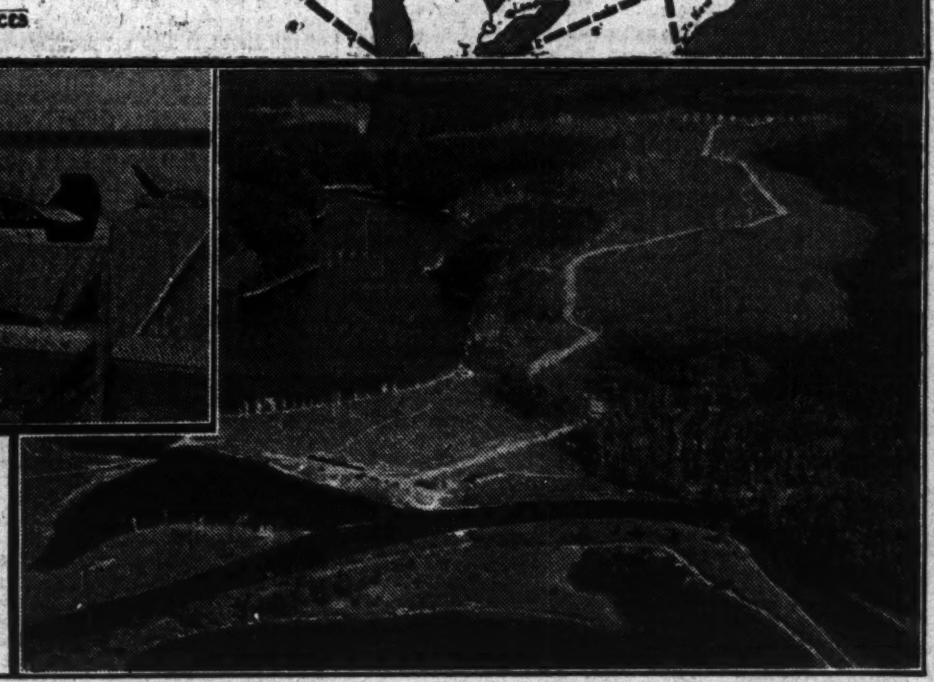


WINGED TRANSPORT has redrawn the map of Canada. At left is the tell-tale network of airlines that crisscross the vast northern tracts that are Canada and link this pioneer world to civilization. Above is some of million pounds of airmail that were flown by Canadian airways last year.

Boon to Mining

FOREMOST has been the contribution of air transport to Canadian mining. Such names as Rouyn, Chibougamau, Red Lake, Pickle Lake, Pickle Crow, Central Manitoba, God's Lake, Flin Flon and Great Bear all bear tribute to the efficacy of air transport in assisting mining developments.

As described in a recent article by the Bank of Nova Scotia: "The airplanes provide first of all a means of reconnaissance; then of bringing in the prospector and his equipment before or directly after the spring break-up so that he may start work as soon as the season begins without loss of time through long canoe journeys to his destination; then of bringing in a diamond drill to 'prove up'; of freighting in men and supplies and even machinery in mill plants for development work; of bringing out concentrate or bullion when the mine comes into production; and of continuing to service the established mine."



INDUSTRIAL USES of the airplane in Canada include engineering survey work, aerial mapping, city planning, besides serving the day-to-day business needs of thousands of northern communities otherwise isolated from civilization.

At right, is a typical combination of camera and airplane in aiding the engineer, the forester, the public utility. Above is a typical "Seaport of the North" in action.

Running Mate of Business

OTHER important industrial uses include the aerial survey which has given second sight to the engineer in the making of preliminary surveys of suggested transmission lines, roads in virgin country, for projected hydro-electric developments, harbor works, city planning and assessment surveys. In fact for civil engineering problems of all kinds, the combination of airplane and camera has proved invaluable.

Another important field is in respect of our far-flung fisheries. The conservation of Canadian fishing grounds, the stocking of lakes and marketing of fish, are various phases of this industry in which the airplane finds increasing employment. For ten years the salmon fisheries off the British Columbia Coast have had an aerial patrol from June to October. In Quebec, trout fry are transported by airplane from hatcheries to lakes which are virtually inaccessible to ground transport. In Western Ontario, 133 tons of fresh fish were last year brought to market from lakes which were economically inaccessible if overland haulage were employed.

Another vital service is that played by the airplane in forestry operation. The forest engineer relies in increasing degree on the aerial patrol for fire detection and suppression. Survey flights are made for the purpose of checking timber limits, estimating and determining reserves. By means of the aerial photograph the forest engineer may obtain during a single flight a complete record of cutting operations, depletion and reserves that it is impossible to obtain by any other method.

* * *

Aid to Efficiency

APART from its industrial uses a major national service performed by the airplane in all countries is that of air mail. Though hampered by government economies, Canadian airways are rolling up new records in air mail performance, the amount of mail flown in 1935 having almost doubled that of the previous year. Canadian airways are now carrying over 2 tons of mail a day—an extraordinary figure when it is realized that this service is almost entirely to frontier and pioneer communities and does not link as yet any of the thickly populated parts of the Dominion.

Modern business conditions demand that very shortly a time saving device such as air mail be adopted throughout this country. The very fact that this practice has become daily routine for business men across the line and has almost revolutionized business methods between east and west makes it imperative that Canada adopt as soon as possible this spectacular aid to business efficiency. In scores of business enterprises air mail can and will play an important rôle in decreasing sales resistance—resistance resulting from delay either in the delivery of the merchandise or service at delivery. Any time-lag is apt to have an adverse effect on selling prospects and the air mail is rapidly becoming as essential as telephones and cable services.

* * *

Getting in Step

WITH sure, swift step the business of commercial flying is moving brilliantly forward each year to new levels of successful accomplishment. Steadily month by month existing methods and equipment are replaced and modernized to meet the rapid tempo of scientific and engineering progress. For there are few more perfect examples of the effect of modernization and obsolescence in business than in this industry.

And despite meteoric growth, the industry has long passed from the revolutionary to the evolutionary stage. The "new" things, substratosphere flying, the gyro-pilot, the transoceanic flight and all that these involve, are all moving steadily and surely forward toward commercial perfection in the same way that new things are quickly and naturally falling into place in the radio and automotive worlds.

Canada will shortly fall into step in this world movement. When this occurs she will contribute one of the finest, most efficient commercial carrier systems ever achieved to meet pioneer conditions of a pioneer country. To extend and expand this distinctive contribution on a nation-wide, even a world-wide basis will be a major task of the Dominion in the next decade. It is a task in which modernization will be the dominant and dominating keynote.

Modernization is a major factor in the forward march of Canadian business. The following firms and institutions have made possible this constructive series of articles to indicate in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canadian homes, Canadian people and Canadian industry:

CANADA CEMENT COMPANY LIMITED
"Modernize With Cement"

CANADIAN AUTOMOBILE CHAMBER OF COMMERCE comprising the following Canadian Manufacturers: —

Chrysler Corporation of Canada Limited
Chrysler, De Soto, Dodge and Plymouth Automobiles
Dodge and Fargo Motor Trucks

General Motors of Canada Limited
Chevrolet, Pontiac, Oldsmobile, Buick, La Salle and Cadillac Automobiles
Chevrolet and G.M.C. Motor Trucks

Hudson Motors of Canada Limited
Hudson and Terraplane Automobiles

International Harvester Co. of Canada Ltd.
International Motor Trucks

CANADIAN AIRWAYS LIMITED
Radio — Transport — Survey
Air bases throughout Canada

CANADA CRUSHED STONE CORPORATION LTD.
Hamilton — Toronto
"We'll Keep Your Job Going"

CANADIAN INGERSOLL-RAND COMPANY LIMITED
Air and Gas Compressors, Rock Drills and Accessories, Hoisting Machines, Pumping Machinery, Pneumatic Tools.
Complete Canadian Ingersoll-Rand plant for mine development — transportable by air, everywhere.

THE T. EATON COMPANY LIMITED
"It pays to shop at Eaton's"

CANADIAN INDUSTRIES LIMITED
"Cellophane" Division
"Cellophane" the modern packaging medium

INTERNATIONAL FIBRE BOARD LIMITED
Montreal Ottawa Toronto
Ten-Test Insulating Wall Board
Insulates, Decorates, Quiets Noise

INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED
Nickel — Inconel — Monel Metal

MASSEY-HARRIS CO. LTD.
"Builders of Good Farm Implements"

J. J. GIBBONS LIMITED
Advertising Agents
Montreal, Toronto, Winnipeg, Regina, Calgary, Vancouver
"Gibbons knows Canada"

NATIONAL CASH REGISTER COMPANY OF CANADA LIMITED
National Cash Registers, Accounting Machines, Check-writing and Signing Machines and Correct Posture Chairs.

NATIONAL STEEL CAR CORPORATION LIMITED
Hamilton — Montreal
"Specialists in Transportation Equipment"

THE ROBERT SIMPSON COMPANY LIMITED
"You'll enjoy shopping at Simpson's"

UNITED STEEL CORPORATION
Modern Power Transmission Machinery
Dependable Conveying and Elevating Equipment

ANGLIN NORCROSS CORPORATION LIMITED
Montreal Toronto
"Building Construction"

BELL TELEPHONE COMPANY OF CANADA
"Continuous improvement in telephone service has made Canadians the world's greatest users."

New Air Line To Link Cities Across Canada

Large Scale Development of Interurban Air Travel in Sight

HIGH SPEEDS SOUGHT

Canada is awakening to her destiny in the air.

For almost 18 years the Dominion has lived on its reputation as the home of the world's greatest war pilots and the fame gained by Canadian flyers who blazed new air trails into a dozen mining areas on the rim of the Canadian Arctic.

In development of commercial air transport and establishment of regular passenger and freight air lines, the post war story of Canadian aviation is anything but inspiring, however, in spite of the fact that Canada is one of the few countries of the world with a tradition in aviation on which almost any other country would have capitalized long ago. The names of Bishop and Barker are world famous, and the exploits of "Wop" May and "Punch" Dickins, had they occurred in the U.S. would have vied with Lindbergh's ocean hop for publicity honors.

Northern Development

Belatedly, Canada is joining the international parade for greater air transport development between centres of population. Until now commercial aviation has been developed largely in the sparsely settled or entirely uninhabited regions of the north, opening new mining districts, flying through all weathers on spectacular mercy flights, transporting men and supplies to trading posts and other colorful pioneering journeys over uncharted air trails.

Much of the credit for commercial aviation development, such as it is, goes to individual airmen who with perhaps little more than decrepit ex-war planes, started their own organizations. From these efforts have grown such well-known units as Canadian Airways Ltd., General Airways, Starratt Airways, the MacKenzie Air Service and a dozen others operating independently of each other and scattered across Canada. Unlike the United States and England, Canada has received relatively little practical assistance from succeeding governments in developing a chain of air routes, yet the Dominion with its vast areas and sparse population has more need of highly organized airway travel than the countries of Europe where travel is over thickly populated districts and comparatively short distances.

Leads in Freight Transport

Canada today hauls more freight on the average than any other nation and for this the credit goes largely to the mining industry which with its vision and enterprise joined forces long ago with aviation to develop the north.

Between cities, however, Canada lags far behind the times in point of air transport. Fish, furs, mining equipment and machinery and even animals are no strangers to the freight compartments of the planes that fly the north country. The same cannot be said of the average urban citizen of the Dominion.

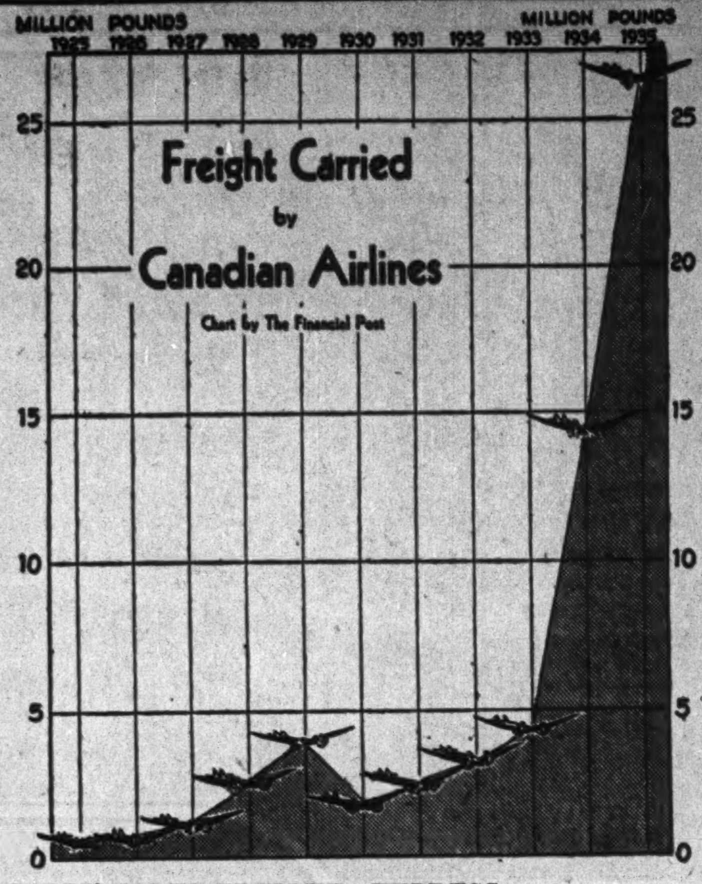
Figures are misleading in this respect, for it is a fact that last year no fewer than 128,672 commercial passengers were flown in Canada compared with Great Britain's total of 135,100 passengers in the preceding year. Northern Canada accounted, however, for practically all the passenger travel. Municipal air ports in Canada, on the other hand, are few and far between and intercity flying is left largely to the private flying clubs on gala "get together" cross country jaunts.

Against this it must be noted that an estimate placed the total of freight flown into the mining camps of the north at about 60 million lb. since 1927.

Filling in Gaps

Currently, progress is being made in construction of the Trans-Canada Airway by building landing fields in the now blank spaces across the Dominion. Vancouver already has the finest air port in Canada and from that point across the prairies into eastern Canada down to the Maritimes, landing fields and air ports are being built and are approximately half completed at the present time. Buildings, lighting and other equipment will follow completion of this gigantic project.

Once created, Canadian air lines, landing fields, and air ports must be accompanied by one of the fastest flying schedules in the world if the 3,000 mile distance from coast to coast is to be spanned in the shortest possible time. Not long ago 90 to 100 miles an hour was the speed offered by transport companies but by 1935 the newer transport planes reached cruising speeds of 150 to 180 miles an hour and this year 200 miles an hour is not uncommon for some types.



CARRY MOST FREIGHT, EXPRESS

Canada holds the world record for volume of freight and express carried over its commercial air transport service. For the last 2 years this business has soared to amazing heights due to the tremendous increase in demand for air freight service to meet the needs of the mining industry along Canada's northern frontier.

As shown in the chart, over 26 million pounds of freight were carried last year. Using 300 working days to the year, this means a daily volume of 44 tons. The comparable figure for all United States airways in 1935 was only 9 tons daily.

Australian Planes To be Home-Built

Formation of a £1 million company to manufacture aircraft in Australia is announced by Australian Prime Minister Lyons. The company will be formed by a syndicate already in existence and its main purpose will be to manufacture aircraft for the Royal Australian Air Force.

The new company proposes to exploit the commercial aviation market and obtain not only Australian business but to build up an export trade. Manufacture of air-frames will begin at first and engine manufacture will follow.

The British government has undertaken to assist and co-operate in the supply of technical information. Until the new company can cater to defense needs, these will continue to be placed in Great Britain as far as possible in advance of actual requirements.

One reason for formation of the company is that Australia has found it difficult in recent months to get prompt delivery of aircraft ordered in England for the Royal Australian Air Force. Orders placed in England in October, 1935, are not promised for delivery until April, 1937, because of heavy demands for expansion of the Royal Air Force.

Higher Speeds Being Sought For Airplanes

New Canadian Transports Exceed 200 Miles an Hour

RESEARCH IS ACTIVE

Speed may be the twin brother of death on the highways, but it is the lifeblood of the air lanes in Canada.

Remarkable strides have already been made in commercial air transport speed. During the war, for example, the fastest plane flown by Air Vice-Marshal W. A. Bishop, V.C., travelled at 130 miles an hour, and the first machine in which Bishop flew as an observer could fly at a top speed of only 60 miles an hour in good weather.

At the Western Canada Air Show in Vancouver recently, Canadian Airways' new supercharged Lockheed Electra soared over the field at a top speed of 210 miles an hour and cruised over the city at its normal rate of 190 miles an hour It will quicken the flying time between Vancouver and Seattle by 50 minutes. The new transport has dual pilot control with two-way radio and every conceivable innovation among aids to navigation.

Flying clubs in various Canadian cities, commercial and Canadian Air Force pilots are all contributing new speed developments in aviation. Noteworthy as these developments have been, they will shortly be overshadowed by those to come.

New Stunt Flights

Transatlantic passenger service in fast, airworthy and comfortable aircraft is already in sight, barring major world disturbances. Coincidentally with this, aviation authorities, including such famous observers as Howard Mingos, predict that a sensational stunt flight of the near future will probably be an airplane flight from New York to London and return across the Atlantic without stopping. Already, in an airplane factory on the eastern seaboard of the U.S. a machine capable of making such a flight is well into the construction stage.

Long predicted is the first coast-to-coast airplane flight in the substratosphere, now scheduled for September 15. The stratosphere ship will in reality be a "flying test tube" under construction by the Transcontinental and Western Air Lines. It is scheduled to make the hop from Los Angeles to New York and is being tested at Kansas City, Missouri, where it has been disclosed, the plane is capable of rising to 30,000 feet in 30 minutes.

The object of this spectacular stunt flight is to prove the feasibility of passenger flying in the substratosphere.

Ocean Stratosphere Plans

Closely timed with this effort, is the announced intention of Clarence Chamberlain, who plans a transatlantic stratosphere flight to England in September. Tentative date of the flight is also set for September 15 and its object is to prove the feasibility of fast flying by taking advantage of atmospheric conditions above flying levels used by commercial aircraft. With a take-off at Newfoundland, it is hoped to make the flight to Land's End, England in about 6 hours.

Coast to Coast Sleepers

Development of a sleeper plane service between the Atlantic and Pacific coasts in airplanes carrying 16 passengers across the continent in a single night, is being pioneered in the United States. This service will undoubtedly be followed in time by a similar transcontinental one-night service in Canada. At 3½ miles a minute passengers will make the trip from coast to coast in about 12 hours. Operated as daylight planes, the huge transports will carry 32 passengers, according to findings of preliminary experiments in the transcontinental project.

While the U. S. can claim leadership in development of passenger air travel in North America, Canada leads the entire world in its record of freight haulage through the clouds. Figures based on reliable statistics indicate that in Canada, commercial air lines carry an average of 44 tons of freight a day during the 300 days of a commercial flying year. In the U. S. only 9 tons of freight are carried by airplanes daily.

Mining Aids Flying

The mining industry in Canada shares the credit for development of commercial freight air transport. Short seasons in which mining operations on surface, and in which transport of machinery and equipment is limited by weather conditions, retarded the development of Canadian mining for years before the advent of the airplane.

In freight and mail transportation, Canada is also setting new records. Loaded with 800 pounds of air mail, a Canadian Airways plane left Edmonton's seaplane base not long ago and arrived at McMurray later in the day. The shipment was the largest ever to be made from Edmonton to McMurray direct by plane. Formerly, the mail was taken north by train from Edmonton and distributed by plane to various destinations from the end of steel and waterways. Larger air mail shipments have, however, been made north from McMurray.

New Maritime Service

In the Maritimes, a new air service was recently inaugurated between Saint John and Halifax by Maritime Airways Ltd. Daily service is scheduled with modern equipment providing an average time schedule of 1½ hours between these cities.

Elsewhere in Canada, the network of airlines is becoming thicker. Canadian Colonial Airways, whose operations have until now been confined to the Montreal-New York route, has inaugurated a rapid speed service between St. Hubert Airport at Montreal and Rockcliffe at Ottawa.

The company has placed a fast Vultee with a cruising speed of over 180 miles an hour, in service between Montreal and Ottawa, an average time of less than 40 minutes each way being required for the trip.

In Ottawa, too, the Laurentian Air Services Limited has recently been incorporated with a fleet of Waco, Puss Moth and Tiger Moth planes. D. & L. Aerial Transportation is another recently organized operation with a base at St. Jovite in the Laurentians, 70 miles north of Montreal.

In all parts of the country similar organizations are being formed to further the cause of commercial aviation.

Canadian Airways Ltd.

In Canada, co-operation is afforded the efforts of Imperial Airways for development of intra-Empire passenger service, through operations of Canadian Airways Ltd. Mutual representation is given the 2 companies in England and Canada and both have the advantage of technical advice based on European and North American aerial operations.

Canadian Airways, with offices and airports from coast to coast has developed aerial survey divisions that provide an important source of revenue to the company. Reconnaissance surveys and location surveys for highway, railway and transmission lines, municipal, geological, timber areas, power development sites and work for commercial companies all contribute to the success of the company. Sportsmen and tourists likewise provide a source of revenue in the summer season.

Air Mail in 1937 At Regular Rates

"Air mail" will no longer mean extra postage in Great Britain after this year.

So successful has the expansion of Empire air mail service proved that Imperial Airways Ltd. will carry the mail at regular postal rates, commencing in 1937, it is announced in England.

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

The long association between General Motors of Canada and the Toronto Maple Leaf hockey team through the medium of the G. M. broadcasts during the winter is ended. The motor firm has withdrawn its sponsorship and will be replaced by Imperial Oil Ltd. The MacLaren Advertising Co., which directed the broadcasts for General Motors, will continue in the same capacity for the new sponsor.

The Financial Advertisers' Association will convene at Nashville, Tenn., Sept. 14 to 16.

Brian Devlin has joined the Montreal office of the Canadian Advertising Agency as an account executive.

Unconfirmed reports are current in the United States that the F. W. Woolworth Co. may do some consumer advertising.

Newspaper copy for "high-speed reading" is the latest development. On the assumption that the average reader spends 15 minutes on his daily newspaper, the agency preparing advertising for a new Hiram Walker campaign to run in the United States has used the technique of the poster advertiser. Copy has been condensed to 2 sentences, limited to 30 words, and the illustration is designed to be equally easy to read on the run.

The British Columbia services of Erwin, Wasey and Co. and F. W. Marsh, Vancouver business consultant, have been merged.

M. N. Blevins has joined the Toronto offices of McConnell, Baxter and Eastman as art director. For some years past he has been doing free-lance work in Montreal and the United States.

L. O. Grothe Ltd., Montreal, have released a new campaign in Toronto using newspapers, posters and window displays, featuring Grad cigarettes. The advertising is being placed by Vickers and Benson Ltd.

Industry Payroll Shows Gain in B. C.

The industrial payroll of B. C. gained 11% in 1935 which is almost 27% above the depression low of 1933, according to B. C. Department of Labor figures. Total for the year was $125.8 millions. Average industrial wages increased from $23.57 to $24.09 per week, while the average working week was shortened from 47.32 to 47.17 hours.

Leading industry was lumber which employed 20,335 people and led the payroll with a total of over $18 millions. The payroll in this industry was 21% above the same figure last year.

Next came food products employing 5,031 employees with a payroll of $8.8 millions. Metal trade made a spectacular gain of 27% with a total payroll for the year of $6.1 millions. Number of persons employed was 4,051.

Metal mining showed a total payroll of $8.3 millions and an employment list of 7,322. An analysis showed that only 4.6% of those employed in metal mining were paid less than $19 a week. This is the best showing of any industrial group in the province.

Only 3 out of 25 industries showed a decrease in payroll, coal mining being the worst with a loss of $134,000 due to closure of the Scorbin Mine.

AN IDEAL AIR-YACHT FOR THE PRIVATE OWNER

DE HAVILLAND DRAGON FLY

1. Exceptionally quiet
2. Visibility splendid
3. Gipsy Twin-Engined Reliability
4. Fittings made for comfort

The sturdy construction and the reliability of its twin Gipsy engines keep its maintenance cost to a minimum. The uninterrupted view, the immediate response to the easy-working controls, and its ease of manoeuvre are points which appeal instantly to every pilot who flies the Dragon Fly.

Full particulars from

DE HAVILLAND AIRCRAFT OF CANADA LIMITED

Postal Address "Station L", Toronto

ALUMINUM

THE SPEED METAL

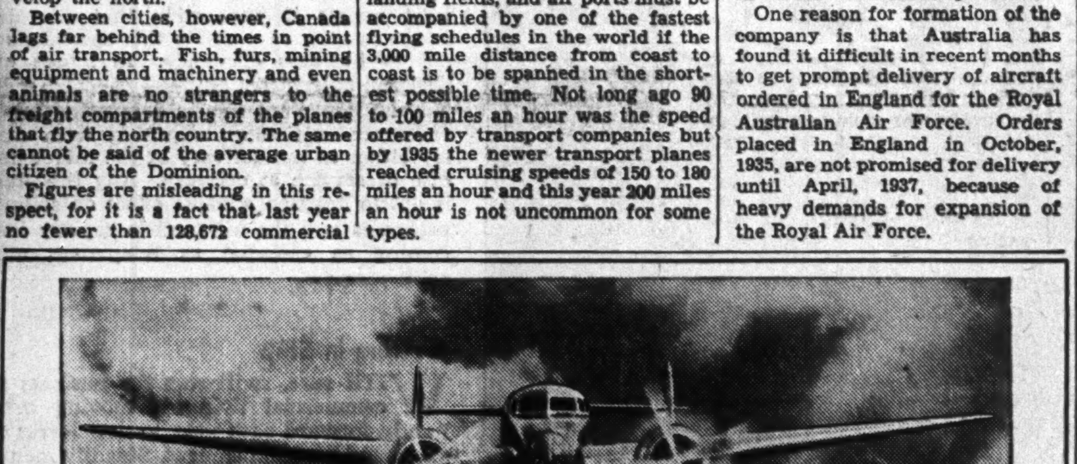
......of a *new* and *faster* age

Transportation and Aluminum have come of age together.

Aluminum was ready to answer the call for lightness in all moving things: in automobile pistons, stream-lined railroad trains, aeroplanes, zeppelins, submarines, mine skips and cages —all moving parts, all mass-in-motion.

Aviation had to have lightness coupled with great strength. It found Aluminum ready, made ready by years of constant, plugging progress.

ALUMINUM COMPANY OF CANADA LIMITED
TORONTO AND MONTREAL



The Lockheed Electra 10A with two Pratt and Whitney Wasp Junior engines

FAIRCHILD — For eleven years the oustanding name in aircraft development.

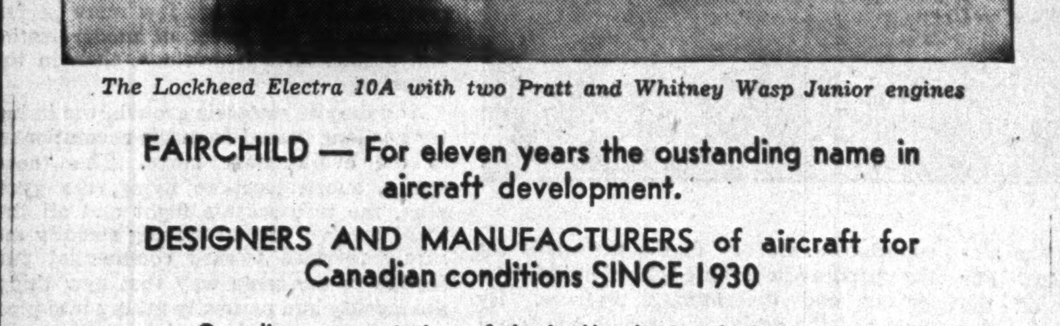
DESIGNERS AND MANUFACTURERS of aircraft for Canadian conditions SINCE 1930

Canadian representatives of the Lockheed Aircraft Corporation

Contractors to the Dominion Government

FAIRCHILD AIRCRAFT LIMITED

Factory, Flying Field, Sea Plane Base
MONTREAL



NORTHROP AIRCRAFT

ALL METAL CONSTRUCTION FOR PASSENGERS AND FREIGHT

All Northrop Planes provide cargo and passenger capacity greatly in excess of any other single engine high-speed plane. Their efficiency has been thoroughly proved by over 10,000,000 miles of air mail service.

Available with floats, wheels and skiis.

NOW MADE AND SOLD IN CANADA

EXCLUSIVELY BY

CANADIAN VICKERS LIMITED

HEAD OFFICE — MONTREAL

NEW GLASGOW TORONTO DRUMHELLER WINNIPEG EDMONTON VANCOUVER

Above: "Vultee" — the world's fastest transport — in C.C.A. Service.

The Mount Royal Hotel is the headquarters of the CANADIAN COLONIAL AIRWAYS LTD. Daily 'Plane service to Ottawa, Albany, New York City, with connections to all U. S. points, also Winnipeg, Vancouver and Victoria.

The World Changes...
...but the 100% standard of Mount Royal Hotel service, courtesy, prestige and economy—REMAINS THE SAME

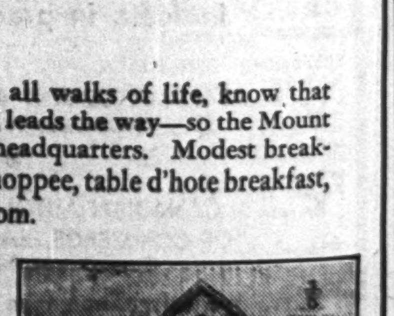
Business men and other leading Canadians in all walks of life, know that the Mount Royal Hotel, like the fastest 'planes, leads the way—so the Mount Royal is recognized as their official Montreal headquarters. Modest breakfast, luncheon and dinner prices in the Coffee Shoppee, table d'hote breakfast, luncheons and dinner in the Main Dining Room.

Nightly in the Main Dining Room . . . Lloyd Huntley and his internationally famous orchestra.

The Mount Royal Hotel MONTREAL CANADA

J. ALDERIC RAYMOND, *President.*

VERNON G. CARDY, *Managing Director*



2,000 rooms, all with baths.

Week in Wheat

Grain Crop Estimates Vary by $25 Millions

Total Loss in Some Western Areas in Striking Contrast to Unexpectedly High Yields in Other Sections

From Our Own Correspondent

WINNIPEG.—Although harvesting and threshing have made rapid progress in western Canada, estimates of grain yields vary widely. For a period while the crop was steadily deteriorating, reports of damage from heat and rust were all that were heard.

There is now a tendency to over-emphasize reports of fairly satisfactory yields where these have been recorded. There are perhaps a great many places where actual out-turns of threshing are showing yields from one to 5 bushels an acre better than estimates just before harvest, but these are offset to some extent by the discovery in other areas that even seed and feed could not be obtained from dried out fields.

With the recent increase in prices the variations between different estimates of the west's grain crop cover a range in values of at least $25 millions.

Beer Boosts Barley

MALTING barley, with its price hovering around $1 a bushel, provides the real fireworks of the grain market. The price is more than double that of the early part of the current calendar year; and pound for pound, (with barley calculated at 48 pounds and wheat 60 pounds to the bushel) it is more valuable than wheat. The premium on the malting grade, compared with feed barley, at 36 cents, is 12 times that which prevailed some months ago.

Primarily the situation is due to the scarcity of malting barley in the U. S., and to the demand for malt in that country to keep pace with the demand for beer. Sensing a possible shortage, brewers are buying up malt as rapidly as they can, and are contracting ahead for it as much as they can. They are more worried about supplies and quality than about price, since so many other elements, apart from the cost of malt, enter into the cost of beer. Brewers with established brands are anxious both to keep up the volume of their trade and the quality of their product.

But maltsters are loath to contract ahead, for they can neither be sure of getting the quantity of malting barley they require, nor certain of premiums they may have to pay for it. It is significant of the situation that barley in store in eastern Canada has been moved back up the lakes to Duluth and Milwaukee. Some purchases of European barley are being made for movement to the U. S..

Barley from California continues to be shipped to Great Britain, as that barley has a special place in the British beer trade. American maltsters are content to obtain malt from Canadian barley which they find more suited to the manufacture of their type of beer. But if their wants cannot otherwise be satisfied they may yet outbid the British market for such barley.

Drought and heat injured barley this year more than wheat, but barley normally has a heavier yield than wheat, and there are farmers who this year have found barley by far the more remunerative crop.

* * *

Durum Wheat $1.70

THE durum wheat situation is an indication that grain is at certain times, at least, essentially a different product from bread wheat.

Makers of semolina for the macaroni trade in the United States have been paying up to $1.70 a bushel for it at Duluth, far above the price available for even the highest grades of bread wheat. At other times when the available quantities of durum have been in excess of demand, it has sold at a heavy discount under bread wheat, with its value fixed on the basis of the sale of the excess as chicken feed.

Outside Russia, where it is valued in bread, durum wheat is seldom employed for bread flour, although British millers were reported last year to be experimenting with it to some small extent.

Practically all the Canadian crop was formerly exported to Italy, and fortunately for the growers since the Italian market was practically closed they have been able to sell it to the United States because of small production there during the past few years.

* * *

Can Italy Pay?

ITALY'S short production of wheat this year would be a bullish factor in the market if there could be any assurance of that country's ability to buy and to pay for wheat.

In pre-war days Italy used to import as much as 80 million bushels in a single year to enable a total consumption of about 300 million bushels to take place. In recent years both consumption and production have been close to that figure, although with an increase of population she would have been able to use more at the former per capita rate of consumption.

This year's production is believed to fall short of consumption requirements by from 60 to 80 million.

But whether government policy will permit imports to the extent theoretically required, or whether foreign exchange can be found to pay for such imports are points that have yet to be determined.

Little Change Indicated In World Supply of Wool

World wool supplies during the coming year will be about the same in volume as last year, according to an official U. S. summary of world wool prospects. A probable slight increase in world production will be about offset in the reduction of stocks carried over in virtually all countries except Japan.

In the northern hemisphere, production in 1936 in the U. S., the United Kingdom and Canada is not expected to show much change compared with 1935. A small increase is indicated, however, for continental Europe and some countries of the Near East.

Toronto Building Permits

Building permits issued for brick structures in Toronto dropped in August to the low point for the year, reached last February. Building permits of all types issued in August totalled $102,638. Only 4 permits were issued for brick dwellings during the month.

DIVIDEND NOTICES

THE DOMINION BANK

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th September, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 1st day of October, 1936, to shareholders of record of the 19th September, 1936.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 13th August, 1936.

The Canadian Bank of Commerce

Dividend No. 198

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1936, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st September next, to shareholders of record at the close of business on the 31st July, 1936. The Transfer Books will not be closed. By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 24th July, 1936.

Ontario Silknit Limited

Notice is hereby given that a dividend of 1¾% for the three months ending September 15th, 1936, has been declared on the 7% cumulative preference shares of the Company, and will be paid on and after the 15th day of September, 1936, to shareholders of record of September 1st, 1936.

By order of the Board,

A. R. GREENE,
Secretary.

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 38

NOTICE is hereby given that a dividend for the quarter ending August 31st, 1936, at the rate of 6½% per annum, will be paid on September 15th, 1936, to all preference shareholders of record at the close of business on August 31st, 1936.

By order of the Board.

A. W. GIBB, Secretary.

Winnipeg, August 10th, 1936.

Lake Shore Mines, Limited

(No Personal Liability)

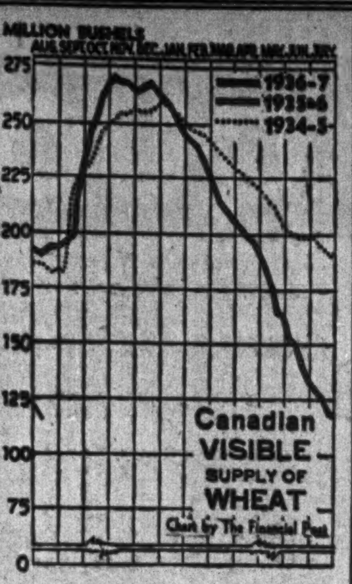
DIVIDEND NO. 66

NOTICE is hereby given that a quarterly dividend of one hundred per cent on the issued capital stock of the Company will be paid on the fifteenth day of September, 1936, to shareholders of record at the close of business on the first day of September, 1936.

By Order of the Board,

KIRKLAND SECURITIES, LIMITED,
Secretary.

Dated at Kirkland Lake, Ontario, August 15th, 1936.



STILL DOWN

Canadian visible wheat supplies at 116,394,000 bushels at the end of the second week of the new crop year, form a striking contrast to the heavy supply a year ago, but it is probable that the visible chart will show an upward trend after this week. New wheat deliveries are gaining in volume and will likely be reflected in visible figures for a time at least.

Estimates of the yield in western Canada continue to vary widely as a result of drought damage. Estimates of the probable value of the crop this year vary as much as $25 millions partly as a result of recent gains in price. Reports that the Dominion government proposes to raise the guaranteed minimum of 87½ cents a bushel to $1 or $1.05 are dismissed at Ottawa as premature.

Canadian Visible

Week of Aug. 14		Last Year
116,394,000		213,279,000

Export Clearances*

Week of Aug. 14	Last Week	Last Year
5,355,379	6,051,932	1,923,097

* Plus U. S. imports.

Poor Pasture Hit Dairying

Production in June and July Higher Than a Year Ago

Pasturage conditions in Canada at July 31 were 18 points below the long-time average and 19 points below conditions reported at the same time in 1935, according to a special report of the dairy situation in Canada published by the Dominion Bureau of Statistics.

Chief cause, of the poor showing was the Ontario situation with an estimated rating 44 points below last year. Conditions in Manitoba and Saskatchewan were reported 46 points below 1935 and Alberta down 40 points. In other provinces, conditions were as good or better than a year ago.

Similarly with hay and root crops, the former being reported for Canada as down 6 points from the same date last year and root crops down 15 points. Fodder corn crops are lower by 17 points than last year, and 21 points below the long-time average.

Creamery butter production in June and July is reported at 74.6 million pounds, a gain of nearly one million pounds or slightly better than 1% over last year. Cheese production at 40.5 million pounds is up 17% over a year ago. The output of concentrated milk products gained 4%.

On the basis of existing conditions, it is expected there will be some increases in milk production in the Maritimes and in Quebec during the August-September period compared with the production in the same months last year. In other provinces a decline is expected.

Analysis of cold storage stock shows an increase in butter holdings, but a decline in stocks of cheese and concentrated milk products.

Halifax Cargo Tonnage Lower in Past Month

From Our Own Correspondent

MONTREAL. — Cargo handled through the port of Halifax in July consisted of 66,308 tons of imports and 59,878 tons of exports. This compares with imports of 100,307 tons and exports of 55,658 tons in July, 1935.

For the first 7 months of the current year inward cargo movement totalled 656,639 tons and outward movement 593,710 tons. During the same period of 1935, imports were 709,532 tons and exports 648,146 tons.

Wheat Exports In July Reach 26 Million Bu.

In Last 4 Months of Crop Year Exports Are 85.5 Million Bushels

PRICE HIGHER TOO

When nearly 26 million bushels of wheat valued at close to $21 millions cleared through Canadian export channels into world markets in July, it marked the highest July total in years.

July figures alone do not tell the full extent of the tremendous outflow of wheat. For the 4 months ended July this year a total of 85.5 million bushels valued at $68.3 millions left Canada, far in excess of any comparable statistics during the last 4 years. Exports for the 12 months ended in July were the highest since 1933.

Price Highest in 4 years

The average export price in July was the highest for any corresponding month of the last 4 years. It was 84.5 cents, or more than 4 cents higher than the July average of 80.3 cents in July, 1934.

Canada's domestic exports of wheat for the crop year up to the end of July this year, as compiled by the Dominion Bureau of Statistics, are as follows:

Canadian Wheat Exports

Month of July:	Quantity Bushels	Value $	Average Export Price $ c.
1933	16,373,532	12,302,879	0.751
1934	12,979,231	10,425,535	0.803
1935	9,158,035	7,213,629	0.788
1936	25,912,508	21,884,644	0.845
4 Mos. ended July:			
1933	59,297,266	38,703,711	0.653
1934	53,997,024	40,745,220	0.755
1935	32,689,951	26,731,219	0.818
1936	85,565,420	68,330,819	0.799
12 Mos. ended July:			
1933	240,136,568	134,221,486	0.559
1934	170,234,013	121,010,954	0.711
1935	144,374,910	118,427,684	0.820
1936	232,019,649	190,176,575	0.820

The same story is revealed in export figures for wheat flour.

Wheat Flour Exports

Month of July:	Quantity Bushels	Value $	Average Export Price $ c.
1933	492,765	1,733,686	3.518
1934	408,028	1,475,979	3.617
1935	395,232	1,459,983	3.694
1936	444,905	1,707,265	3.837
4 Mos. ended July:			
1933	1,836,739	6,062,026	3.300
1934	1,671,438	5,809,896	3.476
1935	1,484,921	5,661,789	3.813
1936	1,604,891	6,299,266	3.925
12 Mos. ended July:			
1933	5,370,613	17,100,260	3.184
1934	5,454,636	19,477,652	3.571
1935	4,750,310	18,237,933	3.839
1936	4,978,917	20,020,094	4.021

Carryover Lowest Since 1929

The total stocks of wheat in Canada at July 31, 1936, were 108,747,059 bushels. Compared with last year's figure of 203,273,016 bushels, this marks a decline of 94,525,957 bushels. The average carryover of wheat in Canada at July 31 for the 5 years, 1931-1935, was $174,985,451 bushels. The 1936 carryover is the lowest since 1929.

Of the farm stocks of wheat estimated at 5,520,000 bushels, the holdings in the Prairie Provinces were 4,550,000 bushels, the lowest since 1930.

In addition to the stocks of Canadian wheat held in Canada at July 31, 1936, there were 19,268,321 bushels of Canadian wheat held in the United States. Last year, at July 31, there were 11,704,536 bushels. In comparing these 2 figures, however, a qualification is necessary since a high proportion of the Canadian wheat now in the United States is already sold to the United States mills and is merely held in bond there until needed in the grist.

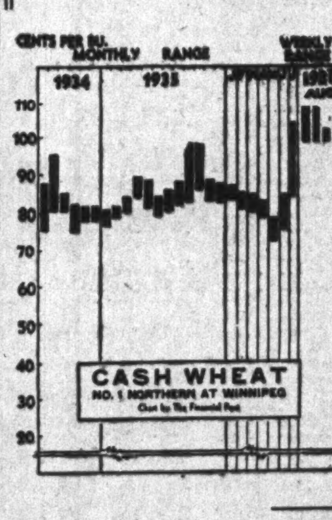
Should Double Exports Of Our Lumber to U. K.

In the interview with Hon. Howard Ferguson, former Canadian High Commissioner to United Kingdom, published in last week's Financial Post, Canadian exports of timber were given as 350 million standards instead of 350,000 standards.

The corrected paragraph should read as follows:

"Consider the record in timber exports. We are sending only 350,000 standards (Editorial note—a standard is about 2,000 feet board measure) to the English market where we should be sending 700,000 standards. Russia, Finland and Poland all ship more timber to the British market than we do and so there is room for much expansion in this business. But we are making progress."

Wheat Prices



(Cash Quotations)

	For Week Aug. 18 High	For Week Aug. 18 Low	Prev. Week High	Prev. Week Low
At Winnipeg:	$	$	$	$
1 Man. Hard ...	1.05	1.02⅞	1.10⅜	1.00¾
1 Northern	1.04¼	1.01⅞	1.10¼	.99¾
2 Northern	1.02⅞	.99⅝	1.08½	.97¼
3 Northern	1.00	.96⅞	1.04½	.94¾
4 Northern	.96	.92⅞	.99¼	.90¾
5 Wheat	.90	.86⅞	.92¾	.84¾
6 Wheat	.89	.83⅞	.89¾	.83¾
Feed Wheat	.73	.65⅞	.72¾	.66¼
Vancouver: Week to Aug. 17:				
1 Northern	1.02⅜	.99	1.07⅜	1.01¼

Competitive Export Prices: (Aug.) shipment.

	High Week to Aug. 14	Low Week to Aug. 14
No. 1 North. (Vanc.) ...	1.23½	1.18
No. 2 North. (Atlan.) ...	1.20⅝	1.14½
No. 2 North. (Vanc.) ...	1.21½	1.15⅝
Hungarian*	1.07½	1.05
Australian (Afloat)	unquoted	
Australian‡	1.22⅝	1.18⅝
Argentine Rosafe†	1.08¼	1.06⅝
Indian (choice Karachi)‡	1.21½	1.17⅝

*Old and new crop, Aug. shipment. ‡September. †January.

Winnipeg Grain Futures

Week to Aug. 18, 1936

Crop year from Aug. 1, 1936 High	Crop year from Aug. 1, 1936 Low		Open Aug. 12	High for week	Low for week	Close Aug. 18
		Wheat				
1.08⅝	.98¾	Oct.	1.00¾	1.03¾	.99¾	1.03
1.06⅝	.97⅝	Dec.	.99⅝	1.02	.98	1.01⅝
1.08½	.99½	May	1.02	1.03⅞	.99¾	1.02¾
		Oats				
.49⅝	.45	Oct.	.47	.49⅝	.47	.48½
.48¼	.43	Dec.	.45¼	.47¼	.45	.46⅝
.48¾	.45½	May	.45½	.47½	.45⅝	.46⅝
		Barley				
.66¼	.56	Oct.	.62½	.66¼	.60¼	.61½
.61⅝	.54⅝	Dec.	.59	.61⅝	.58⅝	.58¾
.61¼	.56⅝	May	.58⅝	.61¼	.57⅝	.58
		Flax				
1.90½	1.72½	Oct.	1.81	1.83¾	1.80	1.82½
1.89	1.73⅝	Dec.	1.78	1.83	1.75	1.80
		Rye				
.70¼	.62	Oct.	.62⅞	.70¼	.62⅞	.69¾
.70	.61¾	Dec.	.62⅝	.69¾	.61⅞	.68½
.71⅝	.63⅝	May	.63	.69⅞	.62⅝	.69¾

DIVIDEND NOTICES

Hollinger Consolidated Gold Mines Limited

Dividend Number 283
Extra Dividend Number 30

A regular dividend of 1% and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 7th day of September, 1936, to shareholders of record at the close of business on the 24th day of August, 1936.

DATED the 17th day of August, 1936.

I. McIVOR,
Assistant-Treasurer.

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT. for the current quarter, being at the rate of

Eight Per Cent. Per Annum

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

Thursday, the First Day of October

next, to Shareholders of record at the close of business on the Fifteenth day of September, 1936.

By order of the Board.

Walter F. Watkins,
Secretary.

Toronto, August 12th, 1936.

ADVERTISING HEAD

Larry McMahon, who has been appointed advertising manager of The Murphy Company, Limited, Montreal, makers of paints, varnishes, lacquers and Narvo. Mr. McMahon was formerly assistant manager of Daily Commercial News and Building Record.

Wheat Crops Sharply Cut

Canadian Yield Still Affected by Drought in August

Because of drought, the 1936 wheat crop now being harvested in Canada, is expected to be far below the average of 320 million bushels produced annually during the 5 years 1931-35, according to a report issued by the U. S Bureau of Agricultural Economics.

While the official Canadian estimate will not be available until early in September the Dominion Bureau of Statistics at the end of July estimated the spring wheat yields for all Canada this year at only 45% of the long-time average yield per acre.

Drought conditions continued during the first 2 weeks of August. As a result, wheat is being harvested 3 or 4 weeks earlier than usual. Both yield and quality have suffered from this forcing.

The area sown to wheat in the 3 Prairie Provinces this year is estimated at 24.1 million acres, compared with 23.3 million acres last year. These provinces usually produce about 94% of the Canadian wheat crop.

Total supplies of old stock Canadian wheat in Canada July 31 were estimated by the Canadian government at 108.7 million bushels compared with 203.3 million bushels on the same date last year.

Housing Plan Will Open Up Big Business

(Continued from page 1)

is having but little effect on house construction.

The Dominion Housing Act benefits home-builders able to supply some capital toward the construction, and appears to appeal chiefly to those able to afford a house costing $5,000 or more.

The employment commission, however, is aiming to supervise the erection of houses which can be rented at a monthly rate not greater than the average weekly wage of the typical wage-earner, thus bringing it within the means of the masses. As a prelude, it hopes to initiate a programme whereby existing houses, tenements and apartment blocks, now run-down or obsolete, can be modernized and made available to persons in the same wage brackets.

The commission has been giving the subject considerable study and has no doubt been impressed by the fact that under the National Housing Act in the United States, the bulk of the funds borrowed has been for modernization and rehabilitation work rather than for new construction.

The United States experience with housing legislation has new interest for Canada in view of the fact that the employment commission has now added its weight to the representations of those engaged in all branches of the building industry, asking for some form of governmental assistance in stimulating a movement of materials and services used in that industry.

High Mortgage Rates

The chief obstacle to be overcome in the erection of houses to rent at $15 to $20 a month in Canada is the mortgage rate, the commission believes. While funds are available for gilt-edge propositions, the average workingman is unable to borrow at a figure which makes a low carrying cost possible.

The commission is understood to be exploring the possibility of a building finance corporation with municipal or provincial backing, and, by pooling the element of risk, provide funds for house-building at a cost only fractionally higher than is now being paid for government bonds.

Should this be successful, the main difficulty would have been met, in the opinion of Ottawa.

The urgent need of action leads the commission to seek the support of private industry in the launching, meantime, of a rehabilitation programme. If funds can be secured at a low rate of interest the conversion and restoration of thousands of existing buildings could be started.

Comparison of Experience

Here is the comparative experience of Canada and the U. S. with housing legislation.

The Dominion Housing Act has been in effect since July 1, 1935. It provides for the government loaning 20% of the cost of a home and land. It applies only in the case of new construction. From July, 1935, to May, 1936, there were only 262 loans made under that Act, these loans totalling $1,876,629, of which the government's share was roughly 20%. Some $10 millions was set aside by the government for such loans in the hope that it would develop $50 millions worth of new construction. The small extent to which it has been utilized is apparent.

Far different has been the situation in the United States, where the government does not actually loan money, but where loans made by private bodies are insured against loss. Until recently, when the National Housing Act was extended to April, 1937, the U. S. Government insured such loans to the extent of 20%. Because this generous insurance led to some rather risky loans being made by private concerns, it was decided to reduce the guarantee to 10%.

For that reason there was a reduction of the modernization and repair loan insurance fund from $200 millions to $100 millions.

Another change made after nearly 2 years' experience was that applicants for modernization or repair loans must own their homes or have leases on the property to be modernized or repaired for one year or more from the date of application.

What is the extent to which the National Housing Act has been utilized in the U. S.?

Under Title 1 loans for modernization work, in effect since August, 1934, are 1,118,318 loans, totalling $410,339,749.

Under Title No. 2, loans for new construction, and effective since December, 1934, are 96,827, totalling $388,753,944. These figures are complete from the inception of the legislation up to July 31, 1936.

Under the 2 titles, loans have approximated $800 millions, and it is significant that the Government's loss experience on these loans was only ½ of 1%.

The foregoing figures do not represent all the work developed by this legislation. It has been found that much work has been commenced as a result of the availability of time payment terms, but has been paid for in cash. One estimate by an official of the F.H.A. insurance plan is that for every modernization dollar financed under the plan, from 6 to 8 dollars were expended under independent financing arrangements.

Another statement by that official was that from reports and statistical data this spring, the total amount of modernization and repair work done since the inception of the legislation to the end of last year was approximately $1,150 millions.

Of that amount 42.1% was borrowed for expenditure upon heating, plumbing, painting and decorating.

Two Ways to Help

The Dominion Government has been under pressure from the building industry to take a leaf from the experience of the U. S. Some members of the cabinet have been conscious of the need for some such action but have been disinclined to become involved in any large spending programme. Whether or not the government contemplates acting upon the employment commission's recommendations and extend loans, or adopt a similar plan to that of the U. S. in guaranteeing private loans for modernization remains to be seen.

Meanwhile, it is the opinion of a number of officials of Canadian concerns engaged in financing such work on a time payment basis, that the government could best assist the modernization movement in 2 ways.

First, by guaranteeing or insuring private loans by financing companies for such work, enabling them to reduce their financing charges.

Secondly, by organizing manufacturers, dealers and their associations to undertake a promotional plan designed to acquaint people with the fact that they can modernize their dwellings or other buildings on the time payment basis at moderate rates.

Little Need for Government Funds

D. F. Fenn, treasurer of Heating and Plumbing Finance Ltd., Toronto, expresses the view that there was little need for the government to actually advance money for this class of work because there was available at present, through various financing agencies, an almost unlimited sum of money.

The customary basis for such loans is a 10% down payment, with a financing charge of 7% for the year. In the United States, under the government-insured loan plan, funds for such work are made available on the basis of a 5% financing charge. In Canada such money is available not only from independent financing concerns but from financing agencies conducted by manufacturers of equipment and materials. The latter usually require that 25% of the amount financed represent products purchased from those companies.

Considerable modernization work has already been done in Canada under such financing, and it has developed no little business in carpentering, bricklaying, electrical installation, as well as plumbing, heating and sheet metal working. A job of modernizing plumbing, heating or air-conditioning generally involves considerable work for the carpenter, electrician, bricklayer and plasterer, and the entire cost is frequently financed with the private funds of a company engaged in manufacturing materials for only one or two of those trades.

It is stated that Canadian financing concerns would prefer the government not to make loans for modernization work as it is doing for new construction. That would mean competition for them and would, they state, be overlapping on facilities which are now adequate. They indicate that if the government is willing to make some guarantee of such loans against loss, as the U. S. Government is doing, they would be able to further reduce their financing charges.

Are such loans sound?

That is the logical question to ask when it is suggested the government make any guarantee of them or that private agencies undertake them. In answering this question, one may consider first the experience of the U. S. Government whose losses in 2 years, involving loans of $800 millions, have been approximately ½ of 1%.

Secondly, it is learned that so satisfactory has been time payment financing of modernization work in the Canadian plumbing and heating business that some of the leading financing organizations recently decided to accept non-recourse paper. The latter is a type of loan where the contractor is not required to go on the customer's note as a guarantor.

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STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

This table is confined to official prices for listed stock. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

WEEK ENDING AUGUST 17

Range 1936 High	Low	Div R'te $	Aug15 Y'ld %		Sales	Last Aug. 10	Week end. Aug. 17 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	1900	1.75	1.75	1.40	1.50
18¼	6½	.	...	Do. pref. 6%	20	11	10¼	10¼	10¼
14	6½	.	...	Do. cert. dep.	....	(10 bid — asked)			
4¼	4¼	.	...	Acadia Sugar	....	(4 bid — asked)			

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)
Dominion of Canada Bonds
August 19, 1936

			Bid Aug. 19	Asked Aug. 19	Approx. Yield	Bid Aug. 12
†‡Dominion	5	1 Mar. 1937	102.25	102.70	...	102.25
‡Dominion	5½	1 Dec. 1937	106.15	106.55	.43	116.15
Dominion	2½	15 Oct. 1939	103.75	104.25	1.14	103.75
Dominion	4	15 Oct. 1939	108.35	108.85	1.19	108.35
Dominion	2	15 Nov. 1939	102.50	103.00	1.06	102.50
Dominion	1½	1 June 1940	100.65	101.15	1.19	100.65
Dominion	4½	1 Sept. 1940	111.25	111.75	1.50	111.30
Dominion	5	15 Nov. 1941	115.25	115.75	1.83	115.35
Dominion	3	15 Oct. 1942	106.25	106.75	1.84	106.25
Dominion	2½	1 June 1943	103.75	104.25	1.83	103.75
Dominion	5	15 Oct. 1943	116.25	116.75	2.44	116.35
Dominion	4½	15 Oct. 1944	114.40	114.90	2.47	114.50
■Dominion	2½	15 Aug. '43-45	100.50	101.00	2.35▲	100.25
Dominion	4	15 Oct. '43-45	110.50	111.00	2.35▲	110.50
Dominion	4½	1 Feb. 1946	114.35	114.85	2.72	114.50
Dominion	3½	15 Oct. '44-49	106.25	106.75	2.57▲	106.50
Dominion	4	15 Oct. '47-52	109.75	110.25	2.94▲	109.75
Dominion	3	1 June '50-55	102.35	102.85	2.75▲	102.50
Dominion	4½	1 Nov. '46-56	112.75	113.25	3.03▲	112.75
Dominion	4½	1 Nov. '47-57	113.00	113.50	3.10▲	113.00
Dominion	4½	1 Nov. '48-58	113.35	113.85	3.15▲	113.50
Dominion	4½	1 Nov. '49-59	113.60	114.10	3.20▲	113.65
■Dominion	3¼	15 Jan. '56-61	103.25	103.75	3.00▲	102.85
Dominion	3¼	1 June '56-66	103.30	103.80	3.00▲	103.40
Dominion Guaranteed Bonds						
*G. T. P. Ry.	3	1 Jan. 1962	101.75	102.75	2.85	102.00
Can. N. Ry.	3	1 May 1944	105.00	106.00	2.16	105.00
Can. N. Ry.	3	15 Dec. '45-50	101.50	102.50	2.69▲	101.75
Can. N. Ry.	3	15 Feb. '48-53	101.50	102.50	2.75▲	101.75
*Can. N. Ry.	4½	1 Sept. 1951	116.25	117.25	3.08	116.25
*Can. N. Ry.	4½	1 Feb. 1956	116.50	117.50	3.28	116.50
†Can. N. Ry.	4½	1 July 1957	115.00	116.00	3.42	114.75
*Can. N. Ry.	4¾	15 June 1955	118.50	119.50	3.35	118.25
Can. N. Ry.	5	1 Feb. 1954	119.00	120.00	3.47	118.75
*Can. N. Ry.	5	1 July 1969	118.25	119.25	2.84▲	118.25
*Can. N. Ry.	5	1 Oct. 1969	120.50	121.50	3.27▲	120.50
*M. Harb. C.	5	1 Nov. 1969	120.75	121.75	3.29▲	120.50
Provincial Government Bonds						
Eastern—						
N. Bruns.	4	1 Sept. 1954	104.25	105.25	3.61	104.25
†N. Bruns.	4½	15 Apr. 1961	110.25	111.25	3.80	110.25
†N. Bruns.	5	15 Jan. 1960	115.50	116.50	3.92	115.50
N. Scotia	3	2 Sept. 1945	100.25	101.25	2.83	100.25
N. Scotia	4½	15 May 1943	109.75	111.00	2.73	109.75
†N. Scotia	4½	15 Sept. '47-52	111.50	112.50	3.20▲	111.00
†N. Scotia	5	1 Mar. 1960	118.25	119.25	3.77	117.75
*Ontario	4	1 June 1962	108.00	109.50	3.44	107.50
*Ontario	4½	1 Sept. 1944	113.00	114.25	2.54	113.00
Ontario	4½	1 June 1950	112.25	113.25	3.31	112.50
*Ontario	4½	15 Jan. 1962	116.00	117.50	3.46	114.50
Ontario	5	15 Oct. 1948	115.25	116.25	3.39	115.25
*Ontario	5	2 Dec. 1960	122.00	124.00	3.53	122.00
Ontario	5½	1 July 1946	117.00	118.00	3.36	117.00
O. H. C.	3½-4-5	1 Oct. '36-52	101.75	102.75	4.23●	101.75
Ont. Hyd. C.	4¾	1 Jan. 1970	117.00	119.00	3.75	117.00
P. E. I.	3	1 Oct. 1945	99.50	100.50	2.94	99.50
Quebec	4	15 Mar. 1962	108.00	109.00	3.27	107.50
Quebec	4½	1 Aug. 1958	111.00	112.00	3.47	111.00
Quebec	4½	2 Jan. 1963	112.75	113.75	3.68	112.75
Western—						
Alberta	4	15 Dec. '49-54	62.00	66.00	§	62.00
†Alberta	4	1 Dec. 1957	62.00	66.00	§	62.00
Alberta	4½	1 Oct. 1951	72.00	75.00	§	70.00
†Alberta	4½	1 Oct. 1956	64.00	67.00	§	64.00
†Alberta	5	1 Jan. 1948	66.00	70.00	§	64.00
Alberta	5	1 Sept. 1955	65.00	68.00	§	64.00
*Alberta	5	1 Oct. 1959	66.00	69.00	§	64.00
†Alberta	5½	1 Jan. 1947	66.00	70.00	§	64.00
Alberta	6	1 Mar. 1947	69.00	72.00	§	69.00
†Brit. Col.	4	1 Dec. 1957	86.00	89.00	4.83	84.00
*Brit. Col.	4½	15 Jan. 1951	89.00	92.00	5.28	88.00
†Brit. Col.	4½	1 Oct. 1953	88.00	91.00	5.29	88.00
†Brit. Col.	5	15 Jan. 1948	94.00	95.50	5.52	92.50
Brit. Col.	5	1 Sept. 1953	93.50	94.50	5.50	92.00
Brit. Col.	5½	1 Feb. 1945	95.50	98.00	5.80	95.00
Brit. Col.	6	15 Feb. 1947	99.50	101.50	5.81	98.00
Manitoba	4	2 Jan. 1950	92.00	94.00	4.60	93.00
†Manitoba	4	1 Dec. 1957	92.00	94.00	4.43	93.00
†Manitoba	4½	15 Dec. 1956	95.00	98.00	4.65	95.00
†Manitoba	5	15 June 1954	99.00	102.00	4.83	101.00
*Manitoba	5	2 Dec. 1959	104.00	107.00	4.52	104.00
Manitoba	5½	1 Oct. 1955	98.00	100.00	5.50	97.00
Manitoba	6	1 Apr. 1947	99.00	102.00	5.75	100.00
Sask.	4	15 Aug. 1953	76.00	78.00	6.10	77.00
Sask.	4	1 Nov. '55-60	74.00	76.00	5.86	75.00
*Sask.	4½	2 July 1945	86.00	89.00	6.10	88.00
†Sask.	4½	1 Oct. 1951	85.00	87.00	5.78	87.00
†Sask.	4½	15 Mar. 1960	82.00	84.00	5.73	84.00
Sask.	5	1 Aug. 1958	84.50	86.50	6.12	87.00
†Sask.	5½	15 Nov. 1946	89.00	92.00	6.57	91.00
Sask.	5½	1 Oct. 1952	88.00	90.00	6.50	89.00
Sask.	6	15 Mar. 1952	92.00	94.00	6.61	92.00
Municipal Bonds						
†Halifax	5	1 July 1961	113.50	115.00	4.04	113.50
Hamilton	5	1 May 1950	109.75	111.75	3.90	109.75
Montreal	5	1 Mar. 1945	101.75	103.00	4.57	101.00
Ottawa	4½	1 July 1945	111.00	113.00	2.85	111.00
†Quebec	5	1 June 1959	107.00	109.00	4.37	106.00
Saint John	5	15 Dec. 1950	108.00	109.50	4.13	108.00
†Toronto	4½	1 Jan. 1955	113.00	115.50	3.37	113.00
†Vancouver	5	Jan. 15, 1950	84.00	88.00	6.33	....
Winnipeg	5	1 Mar. 1944	98.00	102.00	4.68	100.00

* Payable Can., N.Y. & £. ▲ Calculated to call date giving lowest possible yield. † Payable Can. & N.Y. ● Calculated to maturity although callable prior to that date. ‡ Exempt from Dominion income tax. § Traded flat. ■ Payable in N.Y.

Mining Stock Quotations

WEEK ENDED AUGUST 17, 1936

Par Val.	Range 1936 High	Low	Company	Sales	Close Aug. 10 (or last)	High for week	Low for week	Close Aug. 17
1	.12	.04	Afton	69,350	.06½	.07½	.06½	.07
No	.27	.07	Aldermac	124,700	.24	.26	.24	.24½
1	.10	.01½	Alexandria	1,444,150	.03½	.10	.03	.05½
No	.12½	.03½	Algoma	20,170	.07½	.08½	.07	.07
No	7.50	4.10	Anglo-Huronian	4,163	6.25	7.50	6.05	7.45
1	1.71	1.15	Argosy	10,295	1.57	1.70	1.51	1.70
1	.97	.65	Arntfield	4,600	.92	.94	.87	.90
No	.12	.02	Arno	3,430	.07	.08	.06½	.08

Corporation Bonds

(Supplied by Toronto Bond Traders' Association)
August 18, 1936

	Int. Rate	Due	Bid	Asked	Bid Aug. 11
†Smith, Howard	5½	'53	105½	108½	105½
†Steel of Can.	6	'40	113	116	113
Sterling Coal	6	'40	86½	90½	86½
Stop & Shop	6	'47	52	56	52
Twin City Rapid Tr'sit	5½	'52	..	..	88½
United Amuse.	5	'56	98½	101½	98½
United Corp.	5	'53	95	99	95
Union Gas	4½	'43-50	96½	99½	97½
Zimmerknit	6	'51	98	101	98

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.

Unlisted Mines

August 18, 1936

	Bid	Asked
Albany River	.68	.70
Algold	.46	.48
Ardeen	.26	.28
Area	.05½	.08½
Arrow Head	.39	.43
Adanac Que.	.34	.36
Athona (Gt. B. L.)	..	.38
Bailor	.06¾	.07½
Bankfield Gold	.68	.71
Big Master	.50	.55
Blue Star	.29	.32
Bousquet Gold	.12½	.13½
Big Long Lac	.05½	.06½
Brae Breest	.28	.30
Black Eagle	..	.18
Brengold	.26	.28
Callinan Flin Flon	.16	.18
Can. Kirkland	.03	.03½
Candalaca	.34	.36
Capital Rouyn	.30	.33
Casey Summit	.29	.31
Coin Lake	.36	.38
Columario (new)	.02½	.03
Cons. Goldfields	.48	.51
Cuniptau	.45	.50
Cripple Creek	.85	.90
Darwin	.56	.60
Delwood	.20	.22
Dunlop (new)	.08½	.10
Dorval Siscoe	.40	.44
Dupont Hodgson	.34	.36
Elmos	.38	.40
Empire	.32	.34
Empress Cons.	.41	.43
Falkenham	.58	.60
Franklin	.03½	.04½
Frontier R. Lake	.25	.27
Gateway Pat.	.21	.25
Gilmour Units	8.00	9.00
Gillies Lake	.43	.48
Gold Eagle	1.65	1.75
Goldside	.21	.23
Golden Gate	.41	.43
Gordon Lebel	.43	.45
Horseshoe	.06¼	.07½
Hudson Patricia	.18	.19
Hutchison Lake	.13	.15
Jellicoe	.22	.25
Johnson Nipigon	.07	.08
Kaw Crow	.19	.20
Kerr Addison	.27	.29
King Kirkland	.04	.05
Lamaque	7.50	8.00
Lappa Cadillac	.37	.40
Leitch Gold	.85	.90
Lake Rose	.63	.67
Margaret	.33	.35
Madsen Red L.	1.20	1.25
Manitoba Basin (new)	.07¼	.08½
Magnet Lake	.14½	.16
Martin McNeely	.38	.40
Matachewan Can.	.18	.20
Matalac	.20	.22
McAndrew	.35	.37
McCarthy Webb	.35½	.37½
McLellan	.30	.33
Mosher	.58	.61
Moffatt Hall (new)	.24	.27
Oklend	.35	.38
Old Diamond units	16.00	18.00
O'Leary	.22	.23
Opemiska Cap.	1.20	1.30
Ormond	.37	.40
Otisse L. L.	10.50	12.50
Paulore	.45	.47
Porcupine Gold R.	.03½	.04
Presdor	..	.38
Queen Lebel	.12	.14
Regal Kirkland	.46	.48
Ricard Ramour	.74	.76
Rice Lake	.29	.32
Richmac	.31	.33
Roeanor	.28	.31
Rubec	.15	.16
Salmo Malartic	.23	.25
Sand River	.43	.47
Skookum	.35	.37
Smelter Gold	.13	.15
South Keora	.13	.15
Spooner	.29	.32
Springer	.13	.15
Sturgeon R. Gold	.40	.45
Tonawanda	.15½	.16½
Upper Can.	.31	.33
Wendigo	.23	.26
West-Side	.20	.23
W. Red Lake	.21	.23
White Horse	.21	.23
Wilport	.27	.30
Wilson R. Lake	..	.18
Winoga	.34	.37
Young Davidson	.20	.22
Young Shannon	.27	.29

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)
August 18, 1936

	Bid	Asked
Industrial Stocks:		
Acadia Sugar com.	4.30	4.65
Do., pfd.	4.90	5.25
Acme Farmers Dairy pfd.	40.00	...
Algoma Steel new pfd.	52.00	55.00
Andian National	45.00	46.25
Assoc. Tel. & Tel. pfd.	51.00	56.00
B. C. Pulp & Paper pfd.	10.00	13.00
Burns & Co., A	9.00	11.00
Do., B	5.50	6.50
Canada & Dom. Sugar	59.00	60.00
Canada Paper pfd.	111.00	116.00
Canada Starch pfd.	90.50	95.00
Canada Tea pfd.	31.00	...
Can. Tube 1st pfd.	50.50	...
Can. Wire & Cable pfd.	108.00	110.00
Can. Industries A com.	...	220.00
Do., B com.	208.00	213.00
Do., pfd.	161.00	164.00
Can. Ingersoll Rand	120.00	...
Can. Westinghouse	57.00	59.00
Chase, A. W., pfd. bonus	25.00	28.00
Claude Neon pfd.	2.75	3.25
Conduits Nat. new com.	2.25	2.90
Dom. Found. & Steel com.	50.00	54.00
Do., pfd.	94.00	98.00
Dominion Rubber pref.	99.00	...
Dunlop Tire pfd.	86.00	92.00
Eastern Dairies, pfd.	8.00	10.00
Edm. City Dairy, pfd.	60.00	...
Federal Grain, com.	1.50	2.50
Do., pfd.	...	52.00
Goderich Elevator	8.50	9.75
Greening Wire, pfd.	106.00	110.00
Guelph Carpet, pfd.	105.00	107.00
Do., com.	18.00	20.00
Highland Dairy, com.	3.25	3.75
Do., pfd.	80.00	...
Inter City Bak., com.	32.00	36.00
Inter. Met. Indust., "A" pfd.	48.50	52.50
McLaren Pwr. & Pap., com.	14.00	15.00
Mercury Mills, pfd.	10.00	12.00
N. Meth. Laund., pfd. bonus	78.00	82.00
Ont. Tobacco Plant, pfd.	45.00	55.00
Provincial Paper, pfd.	104.50	106.00
Reliance Grain, pfd.	75.00	80.00
Robinson Consol. Cone	9.25	10.25
Ruddy, E. L., pfd.	35.00	40.00
Silverwood's Dairies, pfd.	56.00	...
Standard Fuel, pfd. bonus	108.00	...
Supertest Pet., "B" pfd.	28.00	30.00
Toronto Carpet, pfd.	37.50	40.00
United Steel, "A" pfd.	7.00	8.00
Western Grain, pfd. bonus	...	15.00
Willards Chocolates, pfd.	21.00	...
Trust & Loan Stocks:		
Chartered Trust	84.00	87.00
Guelph Ont. Inv., par $50	52.00	...
London & West. Trust	54.00	59.50
Premier Trust	98.00	...
Sterling Trust	...	38.00
Traders Fin. Inc. Rts.	10.25	...
Traders Fin., "B" pfd. bonus	84.00	88.00
Trusts & Guarantee	30.50	34.00
Waterloo Trusts	98.50	...
Insurance Stocks:		
British America	48.00	...
Canada Life	325.00	335.00
Canadian Fire	...	77.00
Canadian Ins. Shares	10.50	13.50
Confed. Life 20% pd.	115.00	117.50
Cont. Life 20% pd.	38.00	41.00
Crown Life	160.00	...
Dominion Fire	118.00	130.00
Dominion Life 50% pd.	260.00	300.00
Dom. of Can. Gen.	121.00	130.00
Empire Life 25% pd.	8.00	9.00
Excelsior Life 30% pd.	73.00	...
Federal Fire 25% pd.	39.50	...
Fidelity Ins. of Can.	45.00	...
Great West Life	380.00	395.00
Guar. of N. A. fully pd.	270.00	...
Halifax Fire	22.50	24.00
Imperial Life	357.00	...
Manufacturers Life	255.00	285.00
Monarch Life 10% pd.	20.50	21.50
National Life 25% pd.	...	47.00
Sovereign Life 25% pd.	16.00	18.00
Sun Life	500.00	520.00
Toronto General	4.75	...
Western Assurance, com.	45.50	47.50
Do., pfd.	41.00	43.00
Theatre Stocks:		
Allens Beach, pfd.	62.00	65.00
Do., Kingston, pfd.	62.50	...
Do., Parkdale, pfd.	61.50	...
Do., Toronto, pfd. bonus com.	32.00	...
Eastern Theatres, com.	4.75	5.50
Do., pfd.	74.00	80.00
Loew's Buffalo, pfd.	3.00	4.00
Do., London, pfd.	2.50	3.25
Do., Toronto, pfd.	112.00	...
Mansfield Theatre, pfd.	29.00	31.50
Paramount Kitchener, pfd.	45.00	...
Do., Oshawa, pfd.	90.00	...
United Amusement, "A"	18.00	20.00
Do., "B"	15.50	17.00
Investment Trust Shares:		
Can. Gen. Invest.	8.30	8.85
Can. Investors Corp.	7.00	8.00
Can. Int. Inv. Trust Units	61.00	63.00
Cons. Div. St. Sec. Units	14.00	15.50
Debenture & Sec., pfd.	65.50	...
Dom. Scott. Inv. Units	36.00	38.50
For. Power Sec., pfd.	6.00	8.00
Invest. Found. Units	54.00	57.00
Sec. Holding Units	23.25	28.00
United Corpns., "A"	22.50	24.00
Do., "B"	7.50	8.25
Power Issues:		
Calgary Power, pfd.	81.00	83.00
Can. Light & Power, com.	...	21.00
Can. West Nat. Gas, pfd.	95.00	97.00
Do., com.	24.50	26.00
Great Lakes Pwr., pfd.	98.00	...
Inter. Util., 7.00 pfd.	...	90.00
Nor. Ont. Power, pfd.	102.00	103.50
Nova Scotia L. & P., pfd.	102.50	104.00
Do., com.	84.00	86.00

Mining Dividends

	Rate	Close Aug. 17	Yield %
Anglo-Huronian	20c	7.45	..
Beattie Gold	†5c	1.45	..
Bralorne	20c+10c	7.50	..
Buff. Ankerite	20c	8.00	2.5
Bulolo Gold	‡1.40	29.50	..
Cariboo	10c	1.90	5.3
Central Patricia	†4c	4.10	..
Coniagas†	12½c	3.30	..
Cons. Smelters	50c	56.00	..
Dome Mines	$2+$2	54.75	7.3
Falconbridge	30c	9.00	3.3
Hollinger	65c+20c	14.50	5.8*
Howey Gold	2c	.82	..
Hudson Bay	50c	26.00	..
Island Mountain	†5c	1.23	..
Int. Coal & Coke‡	1c	.21	..
Inter. Mining	60c	11.50	4.2
Int. Nickel, c.	$1.40	52.50	2.6
Kerr Lake	5c	.63	..
Kirk. Lake‡	3c	.65	..
Lake Shore	$4	57.75	6.9
Little L. Lac	20c	6.00	..
Macassa	15c	4.30	..
McIntyre	$2	41.75	4.8
McKenzie R. Lake	†3c	1.97	..
McKinley Sec.	2½c	.63	..
McWatters Gold†	5c	1.56	..
Nipissing	50c	2.60	..
Nor. Can. Mining	2c	.53	..
Noranda	‡$1.25	64.00	1.9
Pickle Crow	10c	7.15	..
Premier	12c+1c	3.08	4.2*
Pioneer, B.C.	80c	7.70	10.4
Reno	12c	1.24	9.7
San Antonio	7c	2.00	..
Sheep Creek	†2c	.85	..
Siscoe	20c	4.50	4.4
So. Amer. Gold	20c	4.60	..
Sylvanite	20c	3.40	5.9
Teck-Hughes	40c+5c	6.00	7.5*
Toburn	8c	2.10	..
Ventures	†2½c	2.16	..
Wright-Har.	40c+20c	7.80	7.7*

‡Interim. †Initial. *Yield includes bonus.

Winnipeg Stocks

(Transactions from Aug. 10 to Aug. 15)

	Sales	High for period	Low for period	Close Aug. 15
Bailor Gold	1,000	.07½	.07½	.07½
Cons. Goldfields	6,900	.48	.47	.47
Clover Gold	500	.14	.14	.14
Do., Units	1	20.00	20.00	20.00
Flin Flon	18,800	.33	.31	.31
Geneva	100	1.15	1.15	1.15
Gold Island	5,000	.20	.18½	.18½
Gold Lake	4,300	.40	.40	.40*
Gurney Gold	4,900	.70	.65	.68
Island Lake	15,200	.06	.04	.05½
Kingfisher	1,000	.02½	.02½	.02½
Knee Lake	4,200	.06	.03	.05
Oxford M.	300	.30	.30	.30
Ore Grande	21,090	.20	.17	.20
Pine Lake	5,200	.10	.09½	.10
Packsack	7,200	.26	.25	.26
Rice Lake	1,000	.06½	.06½	.06½
Rahill	500	.51	.51	.51
Scotia	1,800	.07	.06½	.06½
Sachigo River	475	24.50	22.00	24.50
Scattergood	5,000	.07½	.07	.07
Wingold	12,540	.07	.05½	.07
Wylie Dom.	2,800	.68	.67	.68
Wallace Lake	1,000	.03	.03	.03
Wpg. River Tin	19,700	.02½	.01½	.02½

Stocks Not Traded in During Week*

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, com.	1	1½
Home Invest.	20	24
Northern Trust	7	9½
Traders B'dg.	75	..
West. Steel, pf.	7	..

*Stocks more active on other exchanges not included.

The Week in Mining

Hint of 10 Cent Copper Keeps Base Metals Firm

Rest of Market Shows General Softness and Lack of Volume Although Prices Still Up

Mining markets have been considerably softer during the past week, and both price levels and volume, with a few exceptions, are generally lower than in previous hectic weeks. It would be as impossible to explain this reaction as it would be to explain exactly what was behind the frantic tempo of a few weeks ago. Certain it is that no market could maintain for very long the high enthusiasm shown this summer.

The exceptions to this decline have been, significantly perhaps, confined to the base metal stocks, especially those representing a part-copper proposition. Noranda has been a steady climber. This stock opened the year at about $45 per share, rose to $55 in April, and just recently hit the highest mark since 1929 at $64¾. The striking rise in International Nickel cannot be traced entirely to higher output, and must be partly credited to the general bullishness in copper. Consolidated Mining & Smelting, and Hudson Bay Mining & Smelting Co. are other copper producers which have participated in a movement apparently almost entirely divorced from the boom in gold mining stocks.

Base Metal Stocks

AND yet, in the opinion of some observers, action in the base metal group on the exchanges has not been as sharp as the general improved position would appear to warrant. This may be partly due to the fact that public interest in gold stocks is at such a great tempo, that attention is being diverted from the real progress being made in the statistical position of base metals, such as copper. As a result of this preoccupation, whatever market action these stocks have had, has been sporadic, and half-hearted.

While the position of copper, based on world stocks and demand, has been, and probably is, doubtless aided by rearmament, a major share of the credit for improvement must go to general industrial activity, especially in the electric and automotive fields. Building is also using more copper than ever before. These same consumers are taking more zinc and lead also, but in the case of these 2 metals, rearmament appears to be the biggest factor in whittling world stocks. The post-war depression has vividly taught what, an illusory will-o-the-wisp such an improvement may be in the long run.

Copper, however, appears to be on a more satisfactory basis, and many British experts are looking to 10 cents per pound prices before the end of the year.

* * *

"One More Round"

ONE of the dramatic results of $35 gold has to do with the reopening of old properties. Most of this resumed activity was based on the belief that while the property might not have been commercial at the old price of $20.67 per ounce, it might be worked at a profit under $35 gold. In a few cases renewed work has shown the logic of the old saying; "always take out another round." In such cases it has been shown that had the old timers who were working these properties "taken out another round" before abandoning the property, they would have had a pleasant surprise.

The most recent example of this is at the old Oro Grande property in the Central Manitoba district. This property has been known for years and has not, until recently, shown any particular promise. Revived along with many hundreds of other old time properties, work has been well financed under Beresford Lake Mines, and in good hands. This week comes the news that on the second level, a few yards from where the old timers had thrown down their tools, a promising looking ore body has been encountered by the 1936 operators. Even at old gold prices, assays reported today would have been encouraging.

While work has not yet been sufficient to definitely brand the new find as a major ore body, the incident is just one more argument for always taking out that other round.

* * *

Sturgeon River Comes of Age

TWO years after the Sturgeon River field in northwestern Ontario leaped into the spotlight, the first gold brick has been poured. Credit for this goes to Sturgeon River Gold Mines, formed by Coniagas to develop the properties of Wood-Brown Prospectors (Trust).

The case of Sturgeon River camp affords a striking object lesson to those mining speculators whose imagination has a way of leaping far ahead of property development. The Sturgeon River camp, since 1934, has been comparatively free of high pressure promotion. Most of the properties staked 2 years ago have seen real mining. Despite this, it has taken 2 years for the first property, from the first the most advanced, to reach what might be considered the production stage.

There are not many cases in the history of Canadian mining in which a property has been brought from a raw prospect to a producer in less than 2 years. God's Lake Gold Mines, in Manitoba was one of the quickest jobs on record, the property starting into production on a comparatively large basis about 3 years after the property was staked, in the face of tremendous obstacles.

Sturgeon River field is close to the railway, to power, and to civilization. From the point of view of rapidity in mine making, it was geographically almost ideal. Yet it has taken 2 years for the first gold to be produced.

It might also, of course, be pointed out that during those years of development work, wages were being paid, and supplies purchased, to the benefit of the rest of Canada.

That section of the public who believes that a mine, like a market, can be made overnight, would do well to recall the case of the Sturgeon River camp.

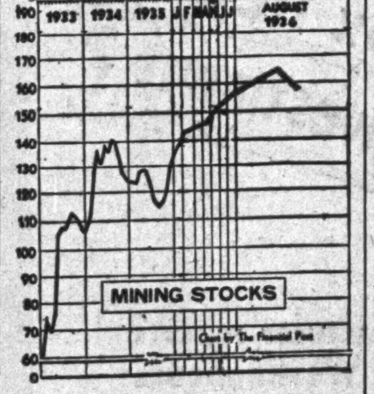
* * *

Index to Mining Stocks

WEAKNESS on the mining market for the week of August 13 was indicated by the general index of mining issues which dropped from 160.4 for the week of August 6 to 158.5 for the following week. This index was 115.9 for the comparable week in 1935.

God's Lake and Siscoe were the only gold stocks to advance. The 18 other stocks included in the group moved downward and the index declined from 135.1 for the week of August 6 to 132.9 for the week of August 13. For the corresponding period, last year this index was 107.1.

Base metals registered a fractional loss for the week of August 13, placing the index at 264.6. This index is still 17.2 points higher than for the comparative week in July. The index was 265.5 for the week of August 6 and 153.4 for the week of August 15, 1935.



RED LAKE CAMP'S THIRD

With the bringing into production of Red Lake Gold Shore Mines, this area, scene of a hectic rush in 1927, can now boast 3 regular producing mines, Howey, McKenzie Red Lake and Red Lake Gold Shore. The latter company has been largely responsible for the revival of this field. The above view shows, left to right, mine buildings in the background; the new steel head frame, and the new mill building, with water tower in the background.

Turner Valley Activity Is Greatest Since 1933

Turner Valley Royalties Booms Oil Production

From Our Own Correspondent

CALGARY.—Due to the remarkable yield from the Turner Valley Royalties crude producer, Turner Valley is producing the most oil in years; the Calgary Stock Exchange is more active than at any time since 1933 when a brief boom in oil stocks took place in June and July of that year, and more companies are being formed to drill for oil in the province than at any time since the 1928-29-30 boom.

Actual marketing of Turner Valley crude oil and naphtha to the Imperial and Bell refineries in Calgary in July were 101,322 barrels, the highest figure for any month in 1936 or 1935. It is considerably above the monthly average for 1935 which was 80,710 bbls.

Not including oil in storage at the end of the month, Turner Valley Royalties marketed 25,530 bbls. of crude oil to the Bell refinery in Calgary during the month for which, on the average, the company received about $2 a barrel. This crude production is by far the largest of any well in Canada and has added considerable weight to the theory that a big crude oil pool has been penetrated on the extreme west flank of the wet gas and naphtha field.

Highwood-Royalties Set-back

Highwood-Royalties No. 2 south and a little to the east of Turner Valley Royalties was expected to further prove the existence of a large crude oil pool. Unfortunately, however, shortly after a production test had been commenced, a portion of the casing collapsed preventing the bringing in of the well. Whether it is a large or small producer will be determined after the collapsed casing has been repaired and bailing of rotary mud continued.

But whether or not Highwood-Sarcee No. 2 comes up to expectations, the south end of Turner Valley, and particularly the west flank is to be thoroughly explored for crude oil. Imperial Oil Co. has joined in the search through the Royalite and Dalhousie companies.

Following are wells which are being drilled or about to start in the south end of the valley at the present time: Apex Royalties, (location); B. and B. (location. This well is to be drilled by a son of R. W. Brown, president of Turner Valley Royalties); Dalhousie No. 8 (cellar dug); Highwood-Sarcee No. 2 (on production test); Mercury No. 8 (cellar dug); Newfold Royalties (derrick built); Foundation Petroleums (drilling from 4,300 ft.); Renfrew Royalties (to run casing to 6,020 ft.); Richfield Royalties (to resume from 4,010 ft.); Sovereign Royalties (drilling from 3,950 ft.); Sterling-Pacific 3, Imperial (drilling from 4,615 ft.; Sterling Pacific 4, Imperial (spudded); Sunburst-Mid-Royal (rigged up); Union Drilling 2 (cellar dug); West Side Royalties (casing run to 2,460 ft.)

Southern Bets

South of Turner Valley proper but still considered by geologists as having an excellent chance of drilling into the crude oil pool penetrated by Turner Valley Royalties are the Canadian Royalties well, formerly known as the Banner well, drilling from 2,700 ft., and the Pekisko well, drilling near the ranch owned by King Edward, drilling from 4,015 ft.

Outside Turner Valley, interest is largely focused on the Weymarn Petroleum well on the Pincher Creek structure. As a result of a deal whereby Toronto interests purchased 100,000 Weymarn shares for $10,000, the Weymarn company has funds on hand to complete the well which is down 5,665 ft. A production test is to be made shortly.

The Hunter Valley well on the Hunter Valley structure, west of Olds, will be speeded up. The cable tool equipment has been dismantled and the well will be completed with the faster rotary equipment. The depth is 5,732 ft.

An important development has been the discovery of a new tar sands field at Lac La Nome, 60 miles west of Edmonton from which valuable road oil is expected to be available. Another area of tar sands has been found near Lacombe. Both areas are said to be similar to the Athabasca tar sands which contain immense quantities of heavy crude oil.

Spooner Oils, Ltd., will make a capital distribution of 10 cents a share to stockholders, the capital being reduced from 1,000,000 shares of $1 par value to 1,000,000 shares of 90 cents par value. The distribution is made possible by the sale of the Spooner wells to Royalite.

Model Oils shareholders have been informed the company will be in a position to pay a dividend by the end of the present year. Installation of tubing in the Model No. 1 well has boosted production to about 154 bbls. daily from 146 bbls. daily.

Slate Products Buys New Units

Canadian Slate Products, developing a slate deposit near Madoc, Ontario, reports that a second Welsh unit has arrived at the property and is being installed. The management informs The Financial Post that the 2 units, one of which has been in production for some months should produce approximately 20 squares per day.

Recently the company bought the 50 acres outright; has a 99-year lease on most of the remaining property. The company intends to install a 50-ton crushing plant which crushes the waste for asphalt roofing, a commodity which is expected to be an important by-product.

Asked if any commercial shipment had been made as yet, the management explained the company was building up a surplus stock of various size slate roofing. In order to fill orders promptly, it is necessary to have such a surplus before production can start, it was explained.

Pioneer's Net Seen as Ample For Dividends

Lower Earnings Temporarily Were Forecast Months Ago

From Our Own Correspondent

VANCOUVER. — Partly because production in July was valued at approximately $198,000—the first time this year that the monthly figure has been less than $200,000—Pioneer Gold has encountered some setback in the market Shareholders have been somewhat anxious, although directors contend there has been no new development at the mine such as to justify the market decline.

Several months ago it was stated there would be a short period of lower earnings, pending the opening up of new crosscuts and the cleaning up of development ore. Production figures for the last 3 months have borne out this announcement.

Directors say there is no doubt that the company will continue to pay the dividend rate of 20 cents a share per quarter. On current production, earnings are 83 cents a share. Directors are meantime about to make the regular dividend declaration.

In the company's treasury is a reserve of $1.6 million, built up specifically to meet the situation when a lower level of production earnings was encountered. This reserve has not yet been tapped.

A total of $1,401,400 is required for the annual dividend distribution, and on the average of the net profits for the last seven months, the total net for the year will be nearly $1.6 million.

It is said there has been considerable liquidation of Pioneer stock in the east because of the speculative opportunities in the market there.

Sturgeon River Gold Pours Its First Brick

Sturgeon River Gold Mines, which acquired from Wood-Brown Prospectors (Trust), a property in the Sturgeon River area of Ontario, has poured its first brick with a total value of $11,000. This result is from 37 days operation of a 2-stamp amalgam mill installed by the company as a pilot to determine the metallurgical problems involved in developing a mine in this territory.

Development on this property which was one of the sensations of the Sturgeon River rush 2 years ago, has been carried out by Coniagas interests. Shaft sinking and lateral development have been carried down to 750 ft. The vein is narrow, making for difficult mining and underground development results have been a little disappointing in view of the rich diamond drill cores originally obtained.

Officials expect that like most new producers, it will be 2 or 3 months before all metallurgical and mining problems will be solved. While the mill has a rated capacity of 40 tons per day after sorting, pending the installation of other equipment, an average of only 18 tons per day has been put through this summer.

At the Mines

Arbade Gold Mines — announces that the shaft has been contracted for and work is now under way. The company's property is in Argyle and Baden township Matachewan districts of Ontario. Registration is being made to enable the company to sell its shares in the United States.

* * *

Big Master Consolidated Mines—in the Lake Manitou area of Ontario reports drilling has started on the new shoot found 1,115 ft. north of the shaft. This shoot is reported to be 140 ft. long, with a width of 3.9 ft. and average values of $21.49 gold per ton.

* * *

Big Missouri Mines Corp.—advises an additional 10,000 shares have been taken up at 50 cents per share under the option agreement as extended on December 9, 1935. Balance of the option comprises 1,406,133 shares at 50 cents per share by December 31, 1936, with a provision that the optionee must purchase from time to time sufficient shares, up to 200,000 a month to provide funds necessary to carry on the mining operations.

* * *

Island Lake Mines — Denial of rumors that this company, with property at Island Lake, Manitoba, was to be refinanced with a view to recommencing operations has been issued by H. R. Drummond-Hay, president. The president states that while it is hoped to recommence operations in due course, any mention of this is premature. Even if refinancing were arranged the property would not be opened up until early in 1938, the president states.

* * *

LeRoy Mines — has increased its crew on the Duprat, Quebec, property to 15 men. The drill is on its way to the property, and will start work on the main discovery where, officials report, values averaging $17.42 across 31 ft. have been obtained, on surface.

* * *

Minto Gold Mines—reports that July net income before depletion, depreciation and mineral tax amounted to $8,135.

* * *

Northfield Mining Co.—has purchased a block of shares in Packsack Mines, Manitoba gold prospect. Northfield has also taken an option to purchase all shares remaining in the treasury of Packsack. The company intends to sink a shaft to a depth of 150 ft. and crosscut to the vein at 125 ft.

* * *

Obalski Mining Corp. — reports that T. C. Coulter, senior member of Coulter & Jones, specialists in mining accountancy, has joined the board of this corporation to fill the vacancy created by the resignation of Hon. P. E. Blondin, vice-president. A. C. Cordner has been appointed vice-president for the balance of the 1936 term.

* * *

Olga Gas and Oil Company—advises that the installment dates under the option provision dated July 3, 1936, have all been extended for a period of one month. The option becomes 30,000 shares at 8 cents per share by September 3; 30,000 shares at 8½ cents by October 3; 30,000 shares at 9 cents by November 3; 30,000 shares at 9½ cents by December 3 and 30,000 shares at 10 cents by January 3, 1937.

* * *

Preston East Dome Mines—has advised the Toronto Stock Exchange that 7,500 shares have been purchased at 50 cents per share under the underwriting and option agreement dated January 28, 1936. Balance of the option comprises 150,000 shares at 30 cents per share and 466,000 shares at 60 cents per share.

* * *

Sladen Malartic Mines—advises the Toronto Stock Exchange that an additional 25,000 shares have been taken up at 45 cents per share under the option agreement dated Nov. 5, 1935.

* * *

True Fissure Mines—announce the engagement of J. A. F. Mulholland, mining engineer, Montreal, formerly with Consolidated Mining and Smelting Company as engineer to conduct preliminary excavation work and drilling of the company's properties in Cadillac Twp., Que. Arrangements have been made for a minimum of 5,000 ft. of drilling.

* * *

Wayside Consolidated Gold Mines—has advised the Toronto Stock Exchange that a block of 150,000 shares has been disposed of privately at 10 and ⅛ cents per share net to the company.

* * *

Wood Cadillac Mines—inform The Financial Post that the option on shares of its capital stock granted May 28, 1936, have been anticipated by the optionee and the company has now discharged all its liabilities and has cash on hand in excess of $80,000. The property in the Cadillac district of Quebec is now being diamond drilled.

Year's Work Bears Fruit At Red Lake

Three Companies in Production and Scores in Advanced Stages

SCANNING THE FIELD

From Our Own Correspondent

HUDSON, Ont.—Never before has there been such intensive activity as was evident in the Red Lake gold area when visited recently by The Financial Post. Many signs of progress were evident in the town itself while, in the mining areas which extend in all directions from the town there are over 2 score active operations, many of which are in the advanced stages, 3 being in production and 3 completing final installation.

Howey Gold Mines, when visited, was temporarily running its mill below capacity owing to the fact that hoisting was not able to keep up to mill requirements. This was apparently due to the development work which is now in full progress on the new block of ground that has been made available by sinking a winze from 1,500 to 2,000 feet. It is expected that, by the end of the year, this new ground will be opened up. Howey has a rated 1,350 ton mill.

At McKenzie Red Lake, milling is continuing at a rate of about 140 tons daily while development of 2 new levels at 550 and 650 feet is also going ahead in an endeavor to open up sufficient ore to justify mill expansion to 200 tons which will probably take place during the winter.

Red Lake Gold Shore

At Red Lake Gold Shore, Manager W. P. Mackle stated he anticipated all units of the mill would be ready to start tuning up in a day or so. The crusher end of the mill has already been started up. The unit is rated for 125 tons, it is quite possible it can be stepped-up to 160 tons when properly run in.

The Financial Post found everything ready to start milling except that cement floors were being poured and final wire installation was being completed. The mill building has been built to make place for additional machinery to bring capacity up to 300 tons when warranted. The mine comes into production with an ore reserve of between 110,000 and 120,000 tons of $23 ore available, sufficient for 4 years. This comes from an ore body which is 200 feet long, between 14 and 16 feet in average width and proved to a depth of 600 feet. This vein has been developed by 550 feet of shaft-sinking, 290 feet of raising, 1,820 feet of drifting and 690 feet of crosscutting. Mr. Mackle reports geological conditions are of the very best, indicating depth possibilities. Gold Shore is located in granite of the very youngest variety.

Three Near Production

Three Red Lake properties are in position now to come into production and all are arranging for mills. These are Gold Eagle which plans a 150-ton plant, Madsen, 100 tons and Cole, probably 75 tons. Gold Eagle has opened up a very high-grade mine since the first of the year from its shaft which is down 500 feet with four levels. Exact tonnage available for the proposed mill which is now being assembled so as to be taken in before freeze-up, has not yet been announced by the company.

Madsen Red Lake has 70,000 tons of $13 ore, sufficient for a 100-ton mill for 2 years. Machinery for the unit is scheduled to go in to the property this fall. The 70,000 tons has been developed down to the 325-ft. level. The shaft is being extended to take in 2 new horizons at 450 and 575 feet so that further reserves will be blocked out before production commences.

Cole Gold Mines will very likely also take machinery to its property in Pipestone Bay, 20 miles from Howey, by water transport before freeze-up. A shaft is down 500 feet with levels at 100-ft. intervals.

Red Crest and May Spiers

Two properties rapidly approaching the stage where mills may be considered are Red Crest and May Spiers which are both located in the Pipestone Bay sector. The shaft at Red Crest is more than half-way to the proposed depth of 300 feet while at May Spiers the 350-ft. shaft is scheduled to be completed by the end of this month. If underground conditions prove up surface exposures which have been proved up by diamond drills, these properties will probably both advance to the production stage by next spring.

Diamond drilling from the underground workings is in progress at the Cochenour-Williams Gold Mines property which is developed by a shaft to 200 feet. This company is trying to prove up an ore body which is about 800 feet wide, with indications of being of sufficient importance to feed a 5 to 10 thousand ton mill. Hollinger did 1,800 feet of lateral work on the 150-ft. level early last year.

At the Margaret Mines where a shaft is down 175 feet and 2 levels have been opened up on a small scale, preparations are being made to resume where work was left off in the summer of 1933.

Diamond drilling is going ahead with 2 machines at Frontier Red Lake with a view of proving up an ore-body 300 feet long and 6 feet wide.

Getting Ready For Plant

Rahill is diamond drilling on its west group of claims while camp buildings for 40 men are being erected on the east group where a mining plant will shortly be set up to sink a shaft.

Wilson Red Lake has completed shallow drilling and won encouragement to carry out a deeper campaign.

McAndrew Red Lake has a drill at work trying to prove up the 250-ft. length of 3½ feet wide ore found on surface.

Diamond drilling is going ahead at Paulore and the Val D'Or option (Starratt-Cook-Olson claims).

Two drills are working under the direction of John Shaw at Martin McNeely.

Drilling is also planned for the McKenzie Island property of McCuaig Red Lake.

Three thousand feet of drilling has been done on the Buffalo Red Lake property by Erie Canadian but results of the work have not been made known.

Skookum is preparing to diamond drill immediately.

Faulkenham Lake Gold Mines is to start diamond drilling immediately on its south claims while on the Pipestone Bay property, formerly the Big Lode, surface work is to be resumed.

Good results from surface work are reported by Dupont Hodgson Gold Mines, Coin Lake Gold, Sanshaw Mines, Black Eagle Red Lake, Red Lake Bay, Red Lake Centre, Kert McDonald, Golden Trinity, West Red Lake, Golden Arm, Richmac, South McKenzie, Monetary Metals and East Bay Mines. Some of these plan drilling campaigns in the near future while others are enlarging surface campaigns.

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Oro Grande In Spotlight; Has New Name

Beresford Lake Results Give Promise to Veteran Property

From Our Own Correspondent

WINNIPEG.—Oro Grande is stepping into the limelight as a coming Central Manitoba producer. The property has had a chequered career over a period of years, having changed hands several times.

It is now officially Beresford Lake Mines, but is much better known by its old name. Included in Beresford Lake Mines, however, is the Solo property, also an old timer and once owned by Central Manitoba Mines. Solo had a 500-ft. 2-compartment shaft sunk and at the time operations were discontinued, had a little more work been done a substantial ore body would have been reached on the second level. The same was true of the incline shaft sunk on the Oro Grande property.

Bain Co. Sponsors

Under the supervision of A. E. Boadway, engineer for H. R. Bain & Co., now sponsoring Beresford Lake Mines, much work has been done which has been sufficiently encouraging to warrant speeding up the operations.

On the lower level—250 ft.—in the Oro Grande shaft the first 118 ft. of drifting, after reaching the high-grade section showed an uncut average of $22.50 over an average width of 54 inches. The next 30 ft. ran $8.50 over 5 feet. As a further check on this ore shoot muck samples were taken from each round and showed an average value of $19.30, drift width which is a greater width than the drift sampling. Drifting operations are continuing and E. S. McCarthy, resident engineer reports there is visible gold in almost every round.

During the past week the face shows 3 separate veins, all within their own shear and closely paralleling one another. The quartz within the centre main shear shows native gold. It is believed other parallel leads will be found and to test this an underground drill is to be put into operation in the near future to laterally explore this zone.

Send Machinery via Air

A. E. Boadway is at present at the property but plans to return to Winnipeg shortly to complete purchases of additional mining machinery and plant required. This includes a new hoist and a drill, together with much other equipment. Ordinarily this heavy equipment would go in by winter road but present plans call for it to be freighted in by air. The rates for the latter are very little higher than the water and road rates for summer haulage and by plane everything is landed at the company's dock. Plans also call for the dewatering of the Solo shaft and headframe will be erected for the new hoist ordered.

Power and Mines Convert Preferred

Reorganization Involves Formation of New Company

The capital structure of Power & Mines Corp. Ltd. has been recently readjusted and now consists of only one class of stock consisting of 303,353 no par value shares all of which are outstanding.

The company at one time held a controlling interest in United Algoma Mines Ltd. and upon the sale of the assets of that company to Darwin Gold Mines, Power & Mines Corp. became entitled to 303,616 shares of Darwin Gold Mines. The authorized capital of Power & Mines Corp. Ltd. originally consisted of 300,000 at $5 preferred share and 1.5 million no par value common shares. At a recent meeting of shareholders by-laws were sanctioned reorganizing the capital by converting the outstanding common shares into new common shares on the basis of 6¼ old shares for each one new share and by converting the outstanding preferred on a share-for-share basis into new common stock. In addition arrangements were made with certain creditors of the company to accept new common stock in settlement of their claim on the basis of one share for each $1 indebtedness.

Form New Company

A new company has now been incorporated under the name Power & Mines Ltd. which will acquire all the assets of the existing company, except 303,353 shares of Darwin Gold Mines, in consideration of the issue to the existing company of all the authorized shares of the new company, namely 303,353 shares $1 par value each. It is then intended to wind up the existing company as soon as it actually receives the shares of Darwin Gold Mines to which it is entitled and distribute its assets among the shareholders who will thus receive one share of Darwin and one share of Power & Mines, the new company, for each share of Power & Mines Corp.

Shawkey Gold Mines Pool Stock Released

From Our Own Correspondent

MONTREAL.—One million shares of Shawkey Gold Mining Co. capital stock, held in pool, have been released and admitted to trading on the Montreal Curb Market. The company's whole capitalization of 3.5 million shares is now outstanding in the hands of the public.

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Eldorado Lists Its New Shares

Rights Offered Shareholders Under New Financing Plan

Eldorado Gold Mines is listing the additional million shares authorized recently on the mining section of The Toronto Stock Exchange. As reported at the time in The Financial Post, shareholders of record Aug. 25 will have the right to purchase one share at 95 cents for each 10 held at that time. Subscription rights will end Sept. 5, 1936. The stock will sell ex-rights on Aug. 24.

The company is offering 298,000 treasury shares pro-rata to shareholders under this arrangement. Any stock not taken up under these rights has been firmly underwritten at the same price by Harry Snyder Ltd. The latter has also been given an option on an additional 302,000 shares at 95 cents per share which may be taken up by Dec. 15.

Work Is Progressing At Anglo-Beardmore

Maylor Hayne, president of Maylor Hayne Mining & Exploration Co., informs The Financial Post that several thousand feet of trenching, test pitting, and stripping on the Anglo-Beardmore property, adjoining Buffalo Beardmore district in the Beardmore district of Ontario, has uncovered 14 veins.

Lebel Oro Drills From 400-ft. Level

From Our Own Correspondent

SUDBURY—A deep drilling programme is now proceeding at the Long Lake mine of Lebel Oro Mines, near Sudbury. Drilling is being carried out from the 400-ft. level, the mine having been completely dewatered recently. The current programme is designed to probe the formation below the fault, which was found to cut off the ore in the course of operations conducted by previous owners about 20 years ago. The extent of the work will depend upon the results secured in initial drilling.

The new shaft has been completed to a depth of 200 ft. and is ready for prosecution of lateral work as soon as the management decides on extending these operations. Plans with respect to the reopening of the mill will await developments revealed by the drilling programme, it is understood.

East Malartic Mines Issues Additional Stock

From Our Own Correspondent

MONTREAL.—The Montreal Curb Market has listed an additional 5,000 shares of East Malartic Mines. The total number of listed outstanding shares now amounts to 1,485,121, in addition to which one million shares are held in escrow and 414,879 remain under option.

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The "Crazy Quilt" of Relief

Hit and Miss Policy, Lack of Co-ordinated Control Is Canada's Handling of Welfare Problems Today

This is the second of a series of articles by Charlotte Whitton, O.B.E., on Canada's handling of relief and welfare problems. Miss Whitton as executive director of the Canadian Welfare Council has an intimate knowledge of the relief situation.

Need Federal Leadership To Get Order from Chaos

Charlotte Whitton finds little for Canadians to be proud of as she traces the way in which our relief policies have been developed and administered in the past few years.

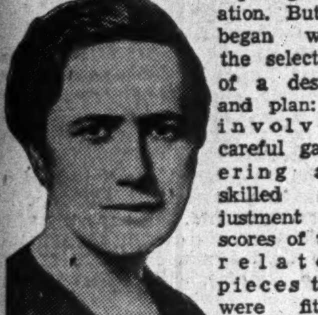
In fact, she says bluntly that they resemble nothing so much as the crazy patchwork quilt which our forebears used to make, and which depended for success not on good management but purely on good luck.

The 3 glaring faults she names as: lack of a long range view; lack of administrative responsibility; lack of independent control. So glaring are the anomalies that have developed that we now find federal relief disbursements on a per capita basis standing highest in the province with the lowest percentage on relief.

The cure, says Miss Whitton in this second searching article on Canada's relief and social dependency problems, lies "in effective, responsible leadership from the senior partner in the picture, the Dominion, and then in co-ordinated control with organization all down the line."

Last week Miss Whitton warned that Canada is so close to the shoals in respect of its employment and relief problems that only skilful, responsible seamanship can avert national disaster involved in the challenge of 1,800,000 socially dependent Canadians who are costing this country $200 millions annually.

In subsequent articles for The Financial Post Miss Whitton will discuss in detail individual phases of this major problem of social reconstruction in Canada.



Charlotte Whitton, O.B.E.

The patchwork quilt, well designed and skilfully made, was an integral part of the household economy of the Canadian home of a past generation. But it began with the selection of a design and plan: it involved careful gathering and skilled adjustment of scores of unrelated pieces that were fitted into a well organized whole; it gradually took form and shape, and finally was ready for use, a use albeit that had never been lost sight of—protection against the vicissitudes of a cold, unfriendly season.

Every quilt might differ in design, arrangement, and material from every other, but each was the expression, in its finished state, of a skilfully worked out plan and design. Then there was another kind of quilt, its occasional beauty the result of good luck rather than good management—the "crazy patchwork quilt" that conformed to no specifications, except general purpose and size, and which was thrown together just as colors and pieces conditioned pattern or shape. It usually grew just as chance favored, though even such a quilt required skilful fitting in of the different patches as they turned up.

Relief a Crazy Patchwork

The evolution of Canada's relief system cannot but remind one of the patchwork quilt of the crazy genus. It has developed with even less skill in the fitting in of the pieces, and with little thought or measurement of the needs it was to cover. In fact, it is doubtful whether there have ever been 9 well planned quilts for the 9 households of Canada's 9 daughters.

In the early years, especially, the 4,200 cold and shivering children that are the municipalities scurried about, planning their own quilts, and gathering up material here and there, getting suggestions for designs as they heard of them, but blessed indeed in great pieces of material, often rich and bright, that came to them, generally up to two-thirds or more of their requirements, from the bulging cupboards of their mother province, or their fine, remote grandmother of a Dominion.

Now, fundamentally there is nothing wrong with the idea of the patchwork quilt. In a country as widespread, and with as varying conditions of life as Canada, diversity within a common plan is good, and there is much to commend the principle of leaving with the unit of government closest to the people and their needs, the ascertaining and treatment of those needs.

But there must be some plan and design about the whole theme, and most important, there should be such strong and disinterested control over the whole project as will assure its development in accordance with the plan, and the working of each section as planned and for the purpose set. Pieces given to any member of the family for the quilt must not be used for a nice little "velvet" cap to keep some good friend warm, or worked into smart little jackets to wear to the polling booths on election day, or yet frittered away, and lost because of lack of planning and skilful utilization in the general scheme.

Lack Long Range View

The dogged determination of nearly everyone to "see the thing through" as something that would soon pass has been the greatest deterrent to early and effective grappling with the problem of relief. It left the different units of government operating on a day-to-day policy and contributed to the gravest defects in the Canadian system—the lack of any definite planning that frankly faced a situation of some duration, and the absence of a related but detached and responsible control over the administration of relief.

The provinces themselves have come to realize this latter need, especially those which have attempted to introduce systematic planning for their problem and found themselves handicapped by uncertainty as to federal policy beyond the few months immediately ahead, or without understanding and support in their endeavors to bring about disinterested, sound administration in the municipalities within their boundaries. The Dominion-Provincial Conference on Relief (December, 1935) adopted a resolution recommending that the proposed National Employment Commission be given powers to "determine the general standards, regulations and conditions to be met by any province in order to qualify for participation in Dominion funds."

Lack of Responsibility

Many of the difficulties that have arisen were inherent in the system. A detached federal power, limited by jurisdiction or tradition, undertook, within very general terms, to reimburse the provincial and municipal governments each for one third of their relief disbursements, later changing the details of participation to lump sum grants-in-aid that approximate somewhat the same division still in some provinces. The Dominion power was not concerned with administration: it specified the items to which it would contribute, but if a municipality or province included others, it simply left it at that, declining to share the cost of increased rates or other items of payment but not otherwise restricting its own participation.

The Dominion has not been interested in relief administration but only in the expenditure of the funds which it provided for relief. Consequently no conditions were laid down in respect to standards for relief organization and distribution, but fairly elaborate and generally effective machinery was devised through the Relief Distribution branch of the Dominion Department of Labor and the Auditor-General's office for checking both provincial and municipal disbursements of monies spent for those admitted to relief.

Stockings and Fire Engines

Peculiarly enough, while a reasonably strong check was thus developed that for example prevented a town from providing the women on relief with brown stockings when province and municipality found black cheaper, and from providing hardwood at $4 a cord if softwood were available at $3.50, a province desiring to introduce some relief item or plan in which the Dominion would not participate, might yet receive a heavy loan or guarantee, enabling it itself, or by loan or guarantee to a municipality, to go ahead on the same project on as great or a greater scale.

True, one enterprising community was not able to get by with its fire engine paid for out of relief funds, but there was nothing to prevent it, hard pressed as it was, from borrowing money to buy several fire engines and fall back on province and Dominion for a greater share of relief reimbursement if and when it "went broke."

This complicated question of the conditions which must be observed by provinces and municipalities in respect to their entire relief plan, policy and schedules as a condition of federal participation, rather than merely consideration of the items to which the Dominion power will contribute, is one of the most bothersome and important problems which the National Employment Commission will have to face.

Lack Independent Control

The other great weakness in our relief system has been the lack of detached control over its actual operation. Our sense of public patriotism unfortunately is not high in Canada, and, combined with the gambling instinct that has been a part of our buoyant youth, this has contributed to grave political exploitation of our resources for many decades. Yet the most susceptible to abuse of any form of public expenditure—individual social assistance—was not only left open almost entirely to direct political considerations, but also remained immediately responsive to the municipal unit of government, easily "get-at-able" and normally changing every 12 months.

In the sense of definite intrusion of political partisanship into the actual administration of relief, little could be averred, but to claim us lily white and free from the exploitation of relief for political advantage in a hundred ways and a thousand instances is merely to shout defiance at what is common knowledge in community upon community throughout the country.

Provincial Topsyturveydom

The provinces and municipalities that have attempted organized control of their relief have too often been penalized by the careless action, loose policies, and wide open expenditure of their neighbors. Provinces and municipalities with but slight unemployment and frequently but a small, real excess burden of problems or costs have all fallen into the same rank with the Dominion power in the matter of proportionate assistance with their costs, whereas in some instances, an independent, courageous policy would have indicated definitely decreased aid or no aid at all and possibly increased aid in a particularly distressed area.

For instance, taking only a general measurement of Dominion government relief disbursements in the 9 provinces in the last fiscal year (exclusive of direct Dominion projects), these work out at between $28 and $29 per head per annum on a fair average total of those on relief each month, say 11½ to 12% of the population.

But analyzing the numbers on relief in each province it is seen that these vary from just under 4% in one province to 19% in another, the great proportion in the latter province being farmers. Yet the per capita calculation of the Dominion disbursements per year in respect to those on relief stands highest in the province with the lowest percentage on relief, and lowest for the province with the highest percentage on relief, although relief disbursements by the latter were aided by a large accountable advance.

Another province with the next lowest percentage of its population on relief received the next highest per capita grant in aid, that is per capita of those in receipt of relief. It would appear an essential part of any relief plan that there should be some equitable relationship between the actual problems in unemployment, the financing of relief need, and the per capita amount of the Dominion grant. Provincial aid to the municipality might turn also upon such considerations of actual need and resources within the respective municipalities.

Municipal Control Weak

Some provinces have developed extensive and effective relief contacts with their municipal units, others exercise slight and quite inadequate supervision. For instance, one province controls directly the actual administration of relief throughout its small and rural municipalities; another province has established a maximum relief schedule; another a tight semi-annual check-up of relief registrants; another a system of provincial inspection of local administration, etc., while in certain other areas administrative control is slight and spasmodic.

The provinces, and especially the municipal relief officials in many of our larger centres know how the situation could be improved but many of them are helpless, and all of them, necessarily and sensibly silent. For the successful control of the situation does not rest with them but in effective, responsible leadership from the senior partner in the picture, the Dominion, and then in co-ordinated control with organization all down the line.

Manitoba Tory Leader Political Force at 40

Errick Willis is Another of Bennett's Bright Young Men

From Our Own Correspondent

WINNIPEG. — Errick Willis who led the Conservatives in the Manitoba elections and who increased the party's strength from 9 to 16 members, is the first of Bennett's young men to make good.

Mr. Willis, while he might lay claim to 15 years political experience, is but 40 years of age, a youngster in public life. By virtue of the campaign he carried on he has placed himself as the leader of the second largest group in the new legislature and has demonstrated that Manitoba, as distinct from Alberta, is not yet prepared to embrace the visionary cults of Social Credit or of labor. What the future will bring, in view of Mr. Willis' refusal to help Premier Bracken form a government, is most uncertain, but it is impossible to doubt that Mr. Willis will play an influential, probably a decisive, part in the government of Manitoba in the next few years.

Shades Other "Youngsters"

To say that Mr. Willis is the first of Mr. Bennett's young men to make good is not to disparage Earl Rowe, the leader in Ontario, or Earl Lawson, national organizer and former Minister of National Revenue.

Mr. Rowe is 2 years senior to Mr. Willis in age and, more than that, has 11 years of parliamentary experience behind him. Although but 42 years of age, Mr. Rowe ranks as a seasoned compaigner in contrast to the youth who captained the Tory ship in Manitoba, who never had experience in a legislature and who knew the Commons only for 5 years, all of them as a back bencher on the government side. Mr. Lawson is of the Willis type, though he is 5 years older. Mr. Lawson, it is true, made good in the party sense last year, but his experience to date has been entirely under the eye of his chief. He has still to win his spurs in the only accepted way—on his own initiative.

Mr. Willis may be described as a Tory of the Tories and yet if such a description indicated a narrowness of outlook, a tendency toward extreme partisanship, it would be inaccurate. His father, R. G. Willis, was a stalwart Conservative, who served his party in fair weather and foul, who was the willing and not unsuccessful caretaker of its leadership in 1920-22, who, like many of his generation, was probably born a Conservative and certainly died one.

Errick Willis's grandparents came from Ireland and "settled" in the Rideau Lakes district, south of Smiths Falls. This, naturally, places the second generation of Willis's as Leeds county Conservatives. There are no more rock-ribbed, granite-hewn, Conservative strongholds than Leeds, Lanark, Carleton and Grenville. When Conservative visibility ceilings were lowest, it has always been to these that Conservative leaders have come for sanctuary. Carleton County sheltered Macdonald and Borden; Grenville succored Meighen from the storm of 1921.

Solid Conservative Family

Willis senior was born at Lombardy of a family of God-fearing yeomen farmers. He was educated at Smiths Falls and Toronto and sought his fortune in the west in the 80's. He took up land in the Boissevain district of south western Manitoba and his children have followed on. Throughout Manitoba and more particularly the southern ridings, the name of Willis stands for Conservatism in the better sense. Mr. Willis senior served in the legislature. He was a vigilant and eloquent defender of individualism, of private enterprise, the sworn foe of socialistic policies, of governmental interference in or encroachment upon business.

Errick Willis's loyalty to party is not acquired but bred in the bone. Otherwise he could scarcely have escaped the disillusionment of his formative years when the party, under Roblin, descended into a seemingly bottomless Valley of Humiliation, whence, after 21 years, he may be destined to restore it to office. He grew up in a home in which politics rated second only to the Scriptures, with other matters simply nowhere at all. His natural aptitude for public life, ability as a speaker and an eagerness to study, were encouraged. At 20, Errick was a frequent if not potent platform performer. In 1923 he took the stump against the veterans of the other parties in the by-election in Baldur. These were the days when Conservatism was practically non-existent provincially and any recruit to the party banner was more welcome than the prodigal son.

Lawyer by Profession

If he now finds himself at 40 a party leader with a good chance of winning a majority in a future legislature, none can say he has not earned it; that he has not served an ample period of political apprenticeship. He was educated at the local school at Boissevain and at Manitoba University from which he was graduated with an LL.B. He took his B.A. at Toronto and his M.A. at Alberta. He is a lawyer and has practised both at Boissevain and at Winnipeg.

His first venture as a principal in a campaign was in 1926 when he stood in Souris for Parliament and was defeated by a substantial majority. In 1930, however, he carried the seat and served under Mr. Bennett until last fall when he was defeated by 3 votes in a poll of over 10,000 ballots. It is evident that in good times or bad, the name Willis stands for something in the Boissevain area.

During his 5 years at Ottawa, Mr. Willis was a ready and eloquent speaker. While he never went out of his way to praise the more extreme features of the Canada First tariff, he was a consistent advocate of protection and sincerely believed and still believes that the tariff can serve the western farmers. Mr. Willis favored tariff on barley and oats to enlarge the market of the prairie growers in the east, where corn is imported for feed. He believes in protection for dairy farmers, poultry and livestock men. He is equally ready to concede protection for eastern manufacturers,

ERRICK WILLIS

arguing that no exploitation will take place.

By his personal record, Mr. Willis need have no fear of being regarded as a dangerous innovator or an irresponsible radical. In the recent campaign, he pledged himself to a reduction of $1,000,000 in provincial taxation, reduced expenditures and a cut in the interest rates on the provincial debt. He never explained just how the economies were to be achieved.

Dr. Johnson once remarked that a man is not on oath in writing a lapidary inscription. Likewise, experience should teach that political leaders are not on oath when appealing at election time for public support. Hansard records the statement of a distinguished politician that platforms are like the platforms on railway cars—made to get in on.

So far as Mr. Willis is concerned, whatever of radicalism or opportunism that marked his campaign is relatively insignificant in contrast to his background and his past career. He is a true product, at second hand, of Leeds county, guaranteed non-inflammable and non-revolutionary in even the mildest sense.

Make Mark as Speaker

As a public speaker, Mr. Willis has made rapid headway in the past 6 years. Prior to then, he suffered as do many youths from the atmosphere of the boy orator. There is always something incongruous in a stripling advising his elders with respect to the good of the state.

He is unmarried. His mother keeps house for him. Indeed, Mrs. Willis is one of too few mothers to whom is given the privilege of watching their boys perform in the greatest amphitheatres—the House of Commons. She watched Mr. Willis from the same gallery that Mrs. Meighen, senior, looked down upon "Arthur" in the heyday of his parliamentary career, and whence Mrs. Dunning, senior, observed the rise of the present minister of finance.

Prefer Single Homes

The great majority of Maritime folk prefer to live in single houses. It is estimated that 92 per cent of Prince Edward Islanders, almost 86 per cent of Nova Scotians and 83 per cent of New Brunswickers choose this type of dwelling. Average for the Dominion as a whole is 76 per cent.

Issue $1,700,000 For Ottawa Power

A special meeting of shareholders of Ottawa Light, Heat & Power Co. is to be held in Ottawa August 25 to consider changes in the capital structure.

Shareholders will be asked to approve an issue of $2 millions of 5% preferred stock, to replace the present authorized $1.5 million of 6½% preferred stock. Of the new issue $1.7 million will be issued about October 1.

The 6½% preferred has been called for redemption at 105 on October 1, involving $1,575,000. The additional $125,000 to be raised by a sale of new stock will cover cost of redemption and reissue of stock.

Annual fixed dividend charges on the present 6½% stock total $97,500 and on $1.7 million of 5% preferred would amount to $85,000. The saving in dividend payments, therefore, would amount to $12,500 annually, or slightly over 7 cents a share on the new preferred. On the common, the saving would amount to only slightly more than 3.5 cents a share.

The BACHELOR'S COLUMN

Recollections of a corn roast

THE bonfire on the beach ... the attempt to find a place to sit ... the hardness of the stones ... the congenial idiot who suggested going for a swim ... and did ... his subsequent efforts to roast himself dry at the fire ... the fellow with the banjo and his sentimental songs ... the sweet and juicy corn ... the unknown benefactor who passed a box of Bachelor Cigars ... the obvious enthusiasm with which the Bachelors were received ... and enjoyed.

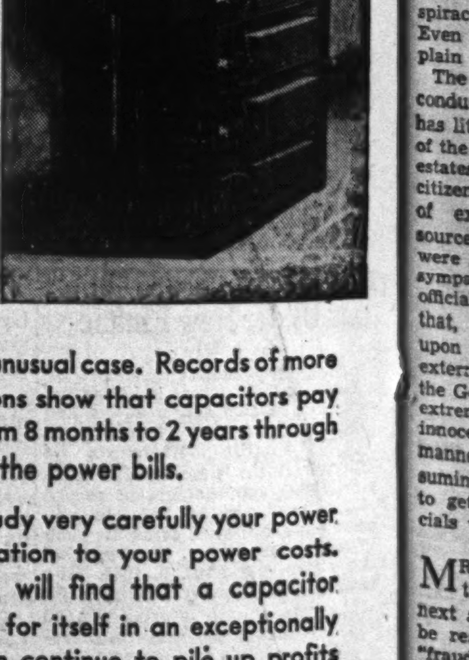
"IT'S GOOD TO GET BACK TO A 10c CIGAR"

WILSON'S BACHELOR Cigar 10¢ 100% Havana Filler

Would You Refuse 100% Return on Your Investment?

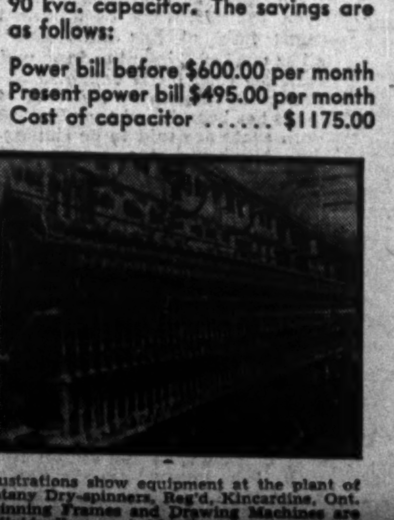
One textile manufacturer reports this gain after a Westinghouse Capacitor was installed.

Read the story below.



The factory consists of about 40 motors and the nature of the drive is such that the motors cannot be kept constantly loaded, consequently during certain intervals machines are running without full load with resulting poor power factor. Westinghouse engineers made a survey and checked 68% power factor. They recommended the installation of a 70 kva. capacitor, which would bring the power factor to 90%. Due to certain extensions that were then contemplated it was decided to install a 90 kva. capacitor. The savings are as follows:

Power bill before $600.00 per month
Present power bill $495.00 per month
Cost of capacitor $1175.00



Illustrations show equipment at the plant of Botany Dry-spinners, Reg'd, Kincardine, Ont. Spinning Frames and Drawing Machines are individually operated by Westinghouse Motors and Linestarters.

The above is not an unusual case. Records of more than fifty installations show that capacitors pay for themselves in from 8 months to 2 years through savings effected in the power bills.

It will pay you to study very carefully your power factor and its relation to your power costs. Probably you, too, will find that a capacitor installation will pay for itself in an exceptionally short time and then continue to pile up profits for you.

Any of our district offices will gladly co-operate with you in making an investigation of power factor conditions in your plant.

CANADIAN WESTINGHOUSE COMPANY, LIMITED
HAMILTON - ONTARIO
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8238

Westinghouse

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Municipal Politics Gags Relief (Page 16)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

Largest Circulation of All Canadian Financial Papers

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The Nation's Business

Businessmen and Trade Treaties

Aggressive Selling Is Needed

Hepburn Speaks of "Fraud" But Does Not Explain

Punitive Probes Into Business

Immigration Issue Is Raised

Following Up the Trade Treaties

THIS week Canada's official travelling salesman, Hon. W. D. Euler, returns after an arduous European trip which included visits to Germany and Russia as well as major trade discussions with British authorities.

Meanwhile, the Government at Ottawa has announced the extension of a trade pact with New Zealand until September, 1937; the consummation of treaties with both Uruguay and Poland and a temporary agreement with Brazil.

Thus Canada is rapidly extending or consolidating for a further period of years her trade relations with one after another of her important customers. And already for the first 7 months of 1936 her total exports have risen 22.8% and imports 13.9%.

In short, returning prosperity and a falling away from the intense nationalism of recent years are once more opening the way to a trade revival.

But such a revival, if it is to be of lasting benefit to Canada, can only be consolidated if Canadian manufacturers and producers are ready to swing into line with aggressive merchandising policies in foreign markets. Treaties may hatch trade but businessmen must nourish it.

This is a real job that will yield big dividends to many firms if properly and seriously tackled.

* * *

How Much Fraud Was There?

SPEAKING of the Ontario Government's campaign to collect succession duties "illegally" withheld from the Government, Premier Hepburn is reported as saying:

"We collected more from one estate than the figure at which it was originally valued. A clear case of fraud."

But of what did the fraud consist? Was there concealment of assets? Or did the executors merely conform to the practices and rulings sanctioned by some former Government? The answer to these questions would be pertinent.

There have been cases reported to The Financial Post of absurd demands for succession duty, plus penalties, in connection with items that were never intended to be dutiable. In one case, it is said that duties were collected on the value of the living expenses of a daughter who kept house for her father instead of marrying and setting up her own household; in another case, on the value of the tickets for a daughter who accompanied her father on a world cruise some time before his death; in still other cases on minor birthday and Christmas gifts.

* * *

IF THE Government was "defrauded," it must have been, in at least some of the cases, as a result of rulings and valuations made by former officers of the succession duties branch. In such cases the moral right of the present Government to make its brand-new rulings retroactive may be questioned. If it regarded the former rulings as a conspiracy against the law why does it not demonstrate its faith in that stand by prosecuting former succession duties officials for conspiracy to defraud the treasury? Even by prosecuting those guilty of plain cases of "fraud"?

The Ontario campaign is being conducted in the dark. The public has little data upon which to judge of the fairness of the effort to mulct estates of large sums. Most good citizens hope that the $30 millions of expected revenue from this source is coming from people who were so crooked that they have no sympathy coming to them. But unofficial evidence seems to suggest that, having primarily embarked upon a proper enough campaign to exterminate fraud in death taxes, the Government has gone to absurd extremes and has penalized many innocent people in a grossly unfair manner, has penalized them for assuming that the rulings they used to get from succession duties officials were to be relied upon.

* * *

MR. HEPBURN might discuss this phase of the matter in his next speech. The public ought to be reassured that his attack upon "fraud" is not, in part, mere corpse-skinning. It is hard to believe that our large trust companies have been a party to so much crookedness. It is just as hard to believe that executors and heirs could get away with so many millions under the hawk-like scrutiny of succession duties officials, learned in the ways of tax-dodgers.

* * *

Our Punitive Investigations

RECENTLY The Financial Post called attention to the large number of punitive investigations of

(Continued on page 2, col. 3)

Great Lakes Pays Interest On New Bonds

Paper Firm Decides to Pay April 1 Coupon

NEW BONDS READY

Interest due April 1 and Oct. 1, 1936, on Great Lakes Paper Co. bonds will be paid, The Financial Post is informed.

Since reorganization of the company was completed in May last there has been considerable doubt as to whether the interest coupons due April 1 and Oct. 1 would be met. The uncertainty was due to the fact that there was a strong feeling on the part of some members of the new board of directors that cash resources of the company should be conserved to allow free operations without bank borrowings. The company had to make large cash outlays in connection with the reorganization so that working capital of approximately $1 million was regarded by some directors as insufficient. On the other hand, non-payment meant default.

New Bonds Ready

The new bonds are now ready for delivery and interest due April 1 can be obtained on presentation of the new securities

The National Trust Co. has advised holders of bonds and of certificates of deposit that the new bonds to which they are entitled can be obtained on surrender of the old bonds to the National Trust Co., Toronto, or by the surrender of certificates of deposit to either the National Trust Co., Toronto, or the Northern Trust Co., Chicago. The new 5% bonds are in bearer form with privilege of registration as to principal only.

On securing their new securities, bondholders may obtain payment of the April 1 interest on presentation of the coupons to any branch of the Dominion Bank in Canada or New York, or the Continental Illinois National Bank and Trust Co., Chicago.

Power Corp. Records Gain

Market Value of Holdings Up $4 Millions—Income About the Same

From Our Own Correspondent

MONTREAL.—An appreciation in the market value of the company's investment portfolio of over $4 millions and a slight gain in gross earnings will feature Power Corp. of Canada's financial statement for the year ended June 30, 1936.

At the close of the last fiscal year on June 30, 1935, Power Corp.'s investments had a book value just short of $27.4 millions, as against a market value of $23.7 millions. The 1936 statement is expected to show a market value of nearly $28 millions, which would place a value on the common stock of around $16 a share.

In view of the company's indirect interest in the mining industry through control of Canada Northern Power Corp., which serves mining districts of Ontario and Quebec, it was felt desirable the company should take some interest in helping in the development of this industry. As a result the company acquired an interest in the shares of a few mining properties, which shares have a book value of $1 and a market value of well over $1 million.

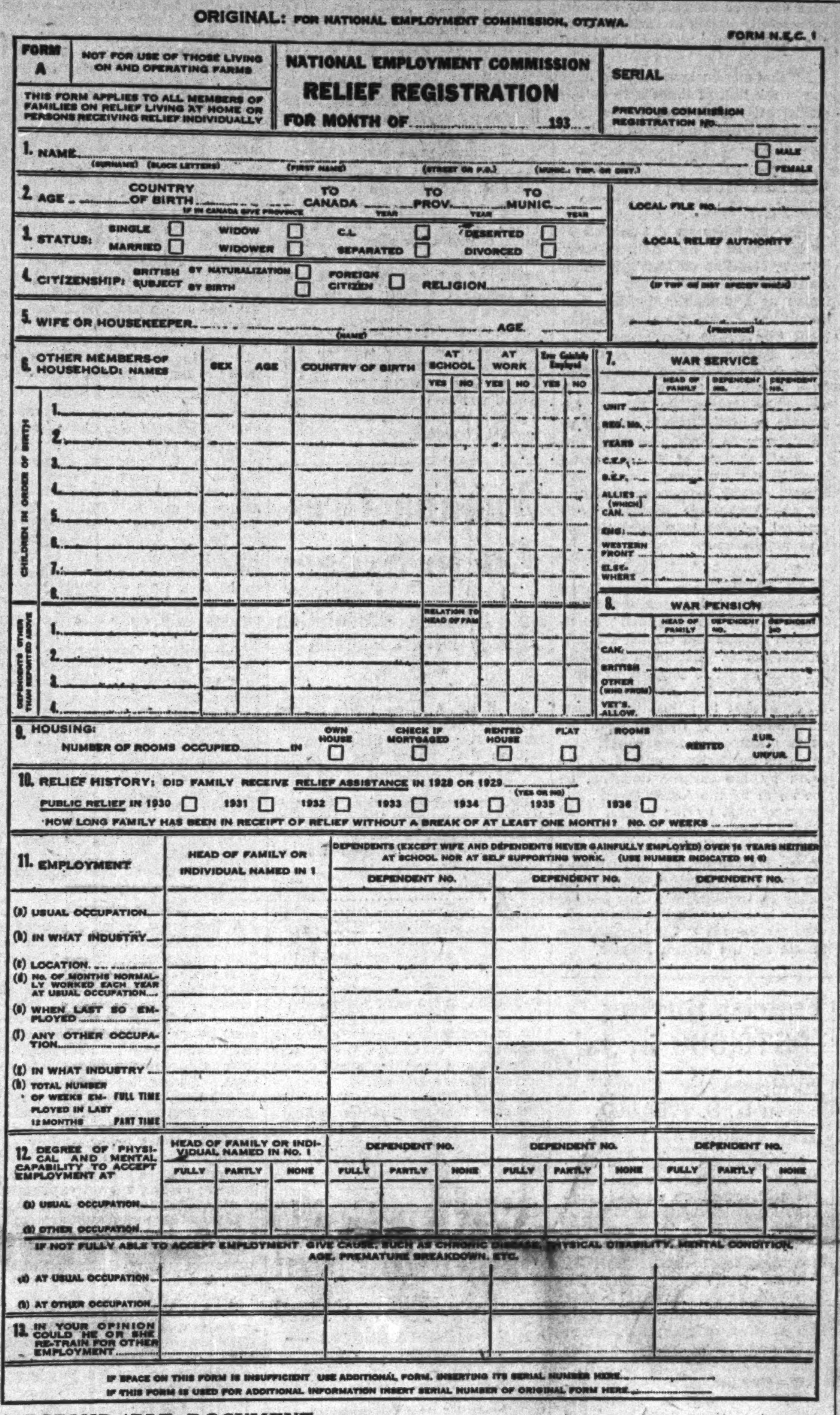
Gross earnings for the year past are expected to approximate $1,576,000, as compared with $1,542,587 in the 1935 fiscal year. Net will approximate $1,309,000, or about $20,000 better than that shown in the preceding report. On this basis there will be available for distribution on the common stock approximately $200,000, or about 40 cents a share.

Canadian Car Gives Peto Higher Executive Post

From Our Own Correspondent

MONTREAL.—L. A. Peto, formerly vice-president, comptroller and treasurer of Canadian Car and Foundry Co., has been appointed vice-president and general manager of the company.

P. C. McLachlan, chief accountant is his successor.



ORIGINAL: FOR NATIONAL EMPLOYMENT COMMISSION, OTTAWA. FORM N.E.C. 1

FORM A — NATIONAL EMPLOYMENT COMMISSION — RELIEF REGISTRATION — FOR MONTH OF .... 193.. — SERIAL

1. NAME — MALE / FEMALE
2. AGE — COUNTRY OF BIRTH — TO CANADA — TO PROV. — TO MUNIC.
3. STATUS: SINGLE, MARRIED, WIDOW, WIDOWER, C.L., SEPARATED, DESERTED, DIVORCED — LOCAL FILE NO. — LOCAL RELIEF AUTHORITY
4. CITIZENSHIP: BRITISH SUBJECT BY NATURALIZATION, BY BIRTH; FOREIGN CITIZEN; RELIGION
5. WIFE OR HOUSEKEEPER .... AGE
6. OTHER MEMBERS OF HOUSEHOLD: NAMES — SEX — AGE — COUNTRY OF BIRTH — AT SCHOOL — AT WORK
7. WAR SERVICE
8. WAR PENSION
9. HOUSING: NUMBER OF ROOMS OCCUPIED — OWN HOUSE — RENTED HOUSE — FLAT — ROOMS
10. RELIEF HISTORY
11. EMPLOYMENT — HEAD OF FAMILY OR INDIVIDUAL NAMED IN 1 — DEPENDENT NO.
12. DEGREE OF PHYSICAL AND MENTAL CAPABILITY TO ACCEPT EMPLOYMENT — (a) AT USUAL OCCUPATION — (b) AT OTHER OCCUPATION — IF NOT FULLY ABLE TO ACCEPT EMPLOYMENT GIVE CAUSE, SUCH AS CHRONIC DISEASE, PHYSICAL DISABILITY, MENTAL CONDITION, AGE, PREMATURE BREAKDOWN, ETC.
13. IN YOUR OPINION COULD HE OR SHE RE-TRAIN FOR OTHER EMPLOYMENT

IF SPACE ON THIS FORM IS INSUFFICIENT USE ADDITIONAL FORM, INSERTING ITS SERIAL NUMBER HERE........

IF THIS FORM IS USED FOR ADDITIONAL INFORMATION INSERT SERIAL NUMBER OF ORIGINAL FORM HERE........

A FORMIDABLE DOCUMENT

When a tabulation is made of all those receiving direct relief in Canada next month considerable will be known of the status of everyone unemployed. Here is the form that will be filled out by the census takers. Another form will be used for those living on farms. Registration will start Sept. 1.

250,000 in Arid Areas Need Federal Assistance

Arrangements Are Being Worked Out to Give Government Aid

OTTAWA ACTS

From Our Own Correspondent

OTTAWA.—The Federal Government and representatives of Alberta and Saskatchewan have reached agreement on the assistance to be given to the drought-stricken areas of the West. The details are being worked out in a series of departmental conferences, and will be announced shortly.

The broad terms of the assistance which will be financed by the help of the Federal Government are as follows:

Free movement of feed to areas where it is lacking.

Free movement of cattle to areas where feed is plentiful, within the province. The railway companies are co-operating by reduction of rates and the Federal Government is paying the balance. Wherever feed can be shipped by local transport trucks, etc. this will be done, since this will save the substantial cost of baling.

Reduced rates on movement of live cattle to the east for wintering. The Federal Government will pay,

(Continued on page 2 col. 6)

Lake Carriers Facing Losses

From Our Own Correspondent

FORT WILLIAM.—In spite of efforts of lake carriers to agree on maintaining higher rates, 3½ cents a bushel from the head of the lakes to Montreal is the prevailing rate. This compares with the 6-cent basis which is usually considered necessary for remunerative operation of lake vessels. The situation is entirely due to competition among Canadian vessels, both for purely Canadian movement and for Buffalo shipments. U. S. boats are finding more remunerative traffic in ore and other commodities.

With the small crop produced in western Canada this year, and with so large a proportion of the Canadian carryover stored in the east, carriers anticipate small business for the remainder of the season, and there is keen competition for every bushel.

Labor Trouble Threatens Coast Newsprint Shipping

From Our Own Correspondent

VANCOUVER.—Threat of labor trouble in Pacific ports this summer is the most disquieting feature of the newsprint situation on this coast. Negotiations are now in progress in San Francisco regarding rates of pay and working conditions for longshoremen and seamen, and pending the outcome, future of cargo business is merely a matter of speculation.

Last year, because of a misunderstanding among various labor organizations, shipments of newsprint from Powell River Company, largest of the mills in British Columbia, was regarded as "hot cargo" and was held up in various American ports when carried in U. S. bottoms. This summer there is an indication of a recurrence of waterfront trouble, not involving Powell River alone, but several other ports.

With the labor situation dominant, newsprint producers are for the time being subordinating discussion of prices. They say that the action of the eastern mills in adopting $42.50 as a base price does not commit the coast mills to a similar figure, and that while the coast has followed the lead of the east in the last 2 years, local conditions may dictate an independent policy this year.

Canada Cement To Call Bonds

New Issue to be Repayable in Canadian Funds

From Our Own Correspondent

MONTREAL.—Directors of Canada Cement Co. have decided to recommend to shareholders refunding of the outstanding 5½% bonds of the company. A special meeting has been called for September 25 next to consider the proposal.

The present bonds, of which there are less than $17 millions in the hands of the public, are payable in sterling. New York and Canadian funds. They were issued in November, 1927, and mature in 1947. The bonds are callable at 104. It is proposed to replace these bonds by a new issue payable only in Canadian funds and carrying a lower coupon rate.

City of Ottawa To Issue Scrip

But It Will Not Be Like Alberta's Venture

From Our Own Correspondent

OTTAWA.—The city of Ottawa will begin next week a preliminary issue of scrip for relief purposes. By September 15 it is proposed to use this method of relief for all purposes except rent and medical services.

The scrip differs from the Alberta variety in not requiring stamps. It really consists of the promissory note of the city issued with assurance to tradesmen that it will be redeemed by the city for cash on demand.

A million pieces were ordered from an Ottawa engraving firm. The scrip will be in 6 denominations, 5, 10, 25 and 50 cents, $1 and $2.

The preliminary issue is to permit parents to buy shoes and clothing for children starting school September 1.

Cigarette, Auto Demand Increases

Feature of the week's business news included a new high mark for cigarette consumption. The new figure of 569 million is the highest July total yet recorded and is only exceeded by the bizarre total of 651 million cigarettes released for consumption in May, 1930—a figure probably influenced more by tariff considerations than by normal trade requirements.

Another important gain was sales figures for trucks and buses. These rose 47% above corresponding totals last July.

Complete business figures, including The Financial Post business index for July, are given on page 7. Summary totals follow:

	July	—Change— From prev. period %	From prev. year %
Monthly:			
Auto. financing:			
New cars	$3,098,442	—21	+22
Used cars	$2,656,701	—21	+25
Cigarette consumption, No.	569,183,670	+12	+10
Newsprint exp., tons	234,049	—17	+6
Elec. pwr. output*	2,020,855	—0.3	+12
New car sales:			
Passenger cars (No.)	6,532	—34.9	+5
Weekly:			
Car loadings, No.	50,368	+9	+18
Cattle sales, No...	14,106	—21	—30
Hog sales, No. ..	16,179	—9	+16

*000's omitted.

Will Register All on Relief In Dominion

House-to-house Survey Will Commence September 1

AFTER MANY DETAILS

From Our Own Correspondent

OTTAWA. — Registration of all persons receiving direct relief in Canada begins in a house-to-house survey across the country September 1 under the auspices of the National Employment Commission, which was empowered by act of parliament last session to carry out such a national survey.

The commission counts on enlisting the active co-operation of provinces and municipalities in carrying out this survey.

When the data is assembled and tabulated, the commission expects to have an accurate account of the unemployed persons now on relief in Canada.

The relief registration form is a formidable document, and will permit of the tabulation of more exhaustive information about the status of unemployed persons on relief in Canada than has yet been possible, except in small, special surveys.

Has Weak Points

The weakness of the registration is that it will not supply any information about the unemployed persons in Canada who are not on relief, but who have been living with parents or other relatives, or who have been cared for in some other way.

The commission is aware of this deficiency, and several suggestions are being considered to overcome the defect.

To Get Farmers, Too

The forms on which the present registration is being conducted are two in number, "A" and "B." The latter is for use of those living on and operating farms. Form "A" is for all others, and will be used in all urban centres.

In the instructions which accompany the registration forms, Arthur B. Purvis, chairman of the commission, expresses the hope that in time these national registration forms may be acceptable to provincial and municipal authorities and standardize relief registration throughout the country. Once the forms are filled out, as of September, 1936, it is hoped to keep them up to date.

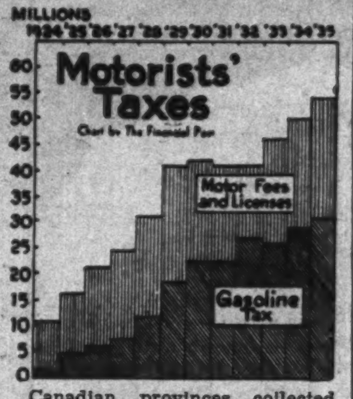
"In order to secure comprehensive and accurate data on the general problem of direct relief in Canada," says Mr. Purvis in his covering instructions, "the National Employment Commission, in co-operation with the Department of Labor, the several provincial governments and the municipal governments, is undertaking a running registration of all direct relief recipients, commencing with the month of September, 1936.

"In order to secure data from all provinces and districts on a uniform basis it has been necessary to adopt certain more or less arbitrary definitions in reference to the forms which the municipalities are asked to have completed. It should be understood that in so far as the Goverment of Canada is concerned these definitions are entirely for the purpose of securing the requisite uniformity from province to province; that they should not be taken as any necessary hint or indication of any present or future policies with respect to relief which may be recommended by the National Employment Commission; and that in no sense are they designed to limit or define what may be regarded as provincial or municipal rights and responsibilities which may have been in the past ,and may be in the future, matters of negotiation between the governments.

Will Form Basis

"It is realized that the registration forms, designed by the commission to secure data considered as vital to its proposed study of the problem of direct relief, may not immediately serve the provinces and municipalities in the place of the forms hitherto in use for the purpose of registration. Nevertheless, it is hoped that in time they may serve that purpose in part, requiring only to be supplemented by such further forms as are necessary to secure such additional information as relief authorities require. In this way, it is hoped some degree of standardization of relief registration forms may be attained throughout the country."

Motorists Pay Increasing Toll



Canadian provinces collected $54.6 millions from motorists in 1935, according to preliminary figures prepared by the Dominion Bureau of Statistics. This is an increase of 7.8% over the corresponding figure a year ago. Of the total, $31.5 millions came from gasoline taxes and $23 millions from license fees, registrations, etc.

As usual, the bulk of the revenue came from Ontario which collected $24.4 millions or 45% of the Federal total. Ontario's 6-cent gasoline tax brought in over $15 millions or nearly half the total for all Canada. Three provinces have a higher gasoline tax rate than Ontario, namely, New Brunswick, Nova Scotia and Prince Edward Island, which collect 8 cents on the gallon. All other provinces collect 7 cents, except Quebec which has a 6-cent levy.

Highlights

Commodities Rising

Prices of key materials mount in Canada with prospect that 20% increase to date will soon be surpassed. Page 9

Mining Aids Building

Sudbury construction booms with expansion of mining operations. Page 8

To England by Air

Canada will be next link in chain of air-lanes stretching to farthest corners of British Empire. Page 3

Sioux Lookout

Kenora mining area experiences first major activity in 40 years. Page 15

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Court Rules Goad's Plans Not Combine

Important Verdict Given in Insurance Map Argument

COPYRIGHT UNDECIDED

Restriction of use of Goad's insurance plans to member companies of the Canadian Underwriters Association does not constitute a combination in restraint of trade.

Such was the judgment rendered last week in Exchequer Court at Ottawa by Mr. Justice MacLean in a case which has aroused exceptionally wide interest in insurance circles. The decision followed action instituted last year against prominent non-board groups, by Underwriters Survey Ltd. and the Canadian Fire Underwriters Association. The action claimed infringement of copyright in the use of rating plans, etc., known as Goad's plans by fire insurance companies outside the membership of the Association.

Two Lines of Defense

Two principal lines of defense were entered. First, that no copyright existed in respect to the material, but that if it did the plaintiffs are not sole owners. Secondly that the action, like others against non-board companies, and agents acting for them, was in pursuance of an illegal conspiracy and combine under the Combines Investigation Act and Criminal Code.

In support of the second line of defense it was contended that the Underwriters Association originally purchased copies of the plans from the Goads in full confidence that copies would continue to be available for purchase. In 1911 the association made an arrangement with the Goad Company to limit circulation of the plans to its members. This was not satisfactory, however, and the association later acquired the plan business from the Goads with the object, it was claimed, of enforcing a non-intercourse rule and of completely restricting circulation.

Exert Pressure

It was hoped to force not only other companies into line, but also affected insurance agents, it was stated. Agents writing business for both board and non-board companies would have to choose between the two. As loss of the plans would seriously hamper non-board companies—perhaps to the extent of forcing them out of business, the argument ran, agents would naturally be inclined to fall in with board companies.

Mr. Justice MacLean held that copyright is the right to restrict the circulation of literary work and is in the nature of a property right. Thus the underwriters in attempting to limit circulation are merely protecting their property. He further held that copyright is not a commodity within the meaning of the Combines Investigation Act and Criminal Code, and therefore could not be the subject of trade and commerce and the object of conspiracy or combine.

With this question disposed of, the main issue is now whether the Underwriters Association actually have a subsisting copyright in the plans and rating material, and, if so, whether their rights have been infringed.

Howard Smith Chemicals Gets Dominion Charter

From Our Own Correspondent

MONTREAL. — Dominion incorporation papers have been taken out for Howard Smith Chemicals Ltd. No official particulars are available as to the type of products which will be handled by this company or its relationship with Howard Smith Paper Mills. Officials of the latter company, however, state an announcement will be made shortly.

Authorized capital of Howard Smith Chemicals consists of $200,000 of 6% cumulative redeemable preference shares, divided into 2,000 shares of the par value of $100 each and 30,000 common shares of no par value common stock with a limited value of $5 each.

Head office of the company will be in Cornwall.

Abitibi Moves to Reopen Newsprint Mill at Ste. Anne

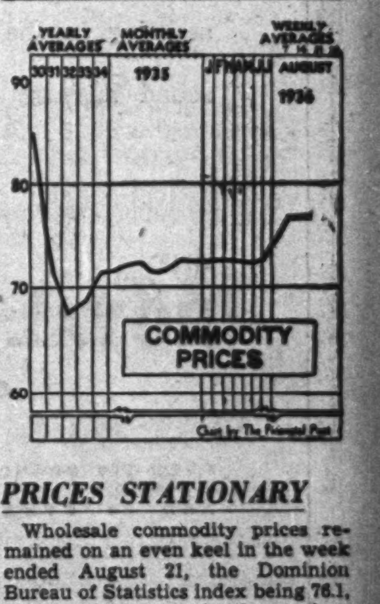
From Our Own Correspondent

MONTREAL.—Abitibi Power and Paper Co. is understood to be making arrangements to increase the woodpile at the plant of its subsidiary, Ste. Anne's Paper Co., to 40,000 cords, with a view to re-opening the newsprint mill within the next 6 months.

This mill has been closed down for several years and the likelihood of a resumption of operations was first mentioned in The Financial Post last June. The decision to reopen has been influenced by the steady increase in the consumption of paper and the contract for power with Shawinigan Water and Power Company.

The power contract was adjusted in 1932 with the minimum requirements waived for 4 years. In September, when this agreement expires, the company will be faced with the problem of paying $375,000 yearly for power which can only be utilized by reopening of the mill. An extension of the agreement is possible, of course, in the event of an early reopening of the plant.

By bringing in the new supply of pulpwood, the pulpwood inventory position will be straightened away. At present there are supposed to be 60,000 cords in the pile, but it is likely that a large part of this is not suitable for the manufacture of newsprint.



PRICES STATIONARY

Wholesale commodity prices remained on an even keel in the week ended August 21, the Dominion Bureau of Statistics index being 76.1, which is the same as for the previous week. In the week ended August 7 the index stood at 76.3.